

REMUNERATION COMMITTEE

15 January 2025

Gender Equality and Ethnicity Pay Gap Reports 2024 Report of the Director of Human Resources and Cultural Change

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**

a) Note the 2024 gender equality and ethnicity pay gap reports.

The Committee is RECOMMENDED to RECOMMEND COUNCIL to:

b) Note the council's statutory gender equality pay gap report of 2024 and approve it for onward submission to the Gender Pay Gap Service by 30 March 2025.

c) Note the council's voluntary ethnicity pay gap report of 2024.

Executive summary

2. Oxfordshire County Council has an agreed set of strategic priorities, one of which is to be an employer of choice. One of the ways in which to demonstrate this to current and prospective colleagues, and to other key stakeholders, is by reporting the gender equality and ethnicity pay gap data and taking action to close it when necessary.
3. The gender pay gap is the difference between the average (mean or median) earnings of men and women (*see important note at paragraph 13) across a workforce. Whilst reporting the council's gender equality pay gap is a statutory requirement, reporting of the ethnicity pay gap is currently voluntary, and a matter of best practice.
4. Reporting annually is an important way to track how the council's recruitment, reward, and progression decisions impact its ability to achieve a diverse, inclusive workforce.
5. As at 31 March 2024 (the snapshot date) the council's mean gender equality pay gap was 2.95%. This represents a widening of the gap since 2023, when it was reported as 1.2%.
6. As at 31 March 2024 the council's mean ethnicity pay gap was 2.59%. This also represents a widening from 0.22% in March 2023.
7. Oxfordshire County Council recognises that as one of the largest employers in the county it has a responsibility to lead by example. To that end, it is

important to continually look behind the headline figures to understand how culture, policies and practice, transformation, and actions can help close the gaps that exist.

8. Whilst the council's gender equality and ethnicity pay gaps are positive compared to its peer groups, it is not complacent about their respective widening since last year.
9. The council's data points towards a need to enable current and prospective female, and Black, Asian, and ethnic minority employees to be appointed or promoted into more senior roles.
10. A combination of filling the remaining vacancies arising from the Tiers 2, 3, & 4 leadership review, the next stages of the organisation restructure, the embedding of the employee performance management framework, and a greater focus on succession planning and employee development may all provide opportunities to do just that.
11. Flexible, agile working, and family friendly policies will also assist the council to attract and retain employees in a competitive labour market and in a geographical area with low unemployment.
12. Consideration is also being given to providing quarterly management information so that performance in relation to the gender equality and ethnicity pay gaps can be monitored on a more regular basis, and in doing so consider whether immediate remedial action is required, rather than waiting for 12 months before considering how sustained performance improvements may be made in these areas.

***Important note**

13. The Government Gender Pay Gap Reporting Service acknowledges the importance of being sensitive to how an employee identifies their gender. The gender pay gap regulations do not define the terms 'men' and 'women'. For the purpose of this report the definitions of men and women have been used throughout. In doing so, it is recognised that this may exclude some genders. However, the report follows Government reporting guidelines, which continues to require the reporting definitions of men and women and provides advice that if an employee does not self-identify as either gender, they may be excluded from the calculations. No-one has been excluded from the calculations in the data supporting this report.

Background

Gender equality pay gap reporting requirements

14. From 2017, an employer which has a headcount of 250 or more employees on a 'snapshot date' must comply with regulations on gender pay gap reporting.

15. Gender equality pay gap reporting does not compare men and women doing the same, equivalent, or work of equal value. Instead, it looks at the pay of the typical (mean or median) female employee with that of the typical male employee at the same workplace. The report has the aim of narrowing and eventually eliminating the pay differential between men and women.
16. Often the pay differential is driven by several factors such as the gender profile at senior level, or occupational segregation.

Snapshot date

17. Gender equality pay gap calculations are based on employer payroll data drawn from a specific date each year known as the 'snapshot date'. The 'snapshot date' for Oxfordshire County Council (as with most other public sector employers) is 31 March.
18. For the purposes of this report, data was drawn on 31 March 2024 and must be reported and published by 30 March 2025. This means that the data will be almost twelve months old at the time of reporting. The council is considering ways to improve the way in which it uses the data so that it can monitor trends on a continuous basis and develop timely intervention plans where required.
19. This is an important consideration as the council continues its organisational restructure. Inevitably it means that with changes to structure also comes change in the workforce profile, which has the potential to impact the gender equality and ethnicity pay gaps. This is addressed further within the main body of the report.

Gender equality pay gap calculations

20. Where applicable, employers must calculate, report, and publish the following gender pay gap figures:
- percentage of men and women in each hourly pay quarter *
 - mean (average) gender pay gap using hourly pay*
 - median gender pay gap using hourly pay*
 - percentage of men and women receiving bonus pay
 - mean (average) gender pay gap using bonus pay
 - median gender pay gap using bonus pay
21. *Those indicated with an asterisk are applicable to the council for the 2024 report. The council does not use bonus payments.

Reporting

22. As a public sector employer, the council is required to submit its annual pay gap report to the Gender Pay Gap Reporting Service by 30 March each year.

23. The council is also required to publish its gender equality pay gap information on its website, tell its employees where they can find this information, and keep it online for at least 3 years.

Oxfordshire County Council Gender Equality Pay Gap 2024

Mean gender pay gap

24. As at 31 March 2024 Oxfordshire County Council's mean gender equality pay gap widened (increased) to 2.95% (59p per hour), as shown in Table 1 below. Notwithstanding the widening of the council's gender equality pay gap in the last twelve months, it remains below that of the national public sector and the Office of National Statistics (ONS) UK gender pay gap data, based on both the mean and median hourly rate of pay as reported in paragraphs 33 - 39.

25. **Table 1: Oxfordshire County Council mean Gender Equality Pay Gap performance 2022 – 2024**

Year	Gender equality pay gap	Hourly rate (men earn more than women)
2022	2.3%	41 pence
2023	1.2%	22 pence
2024	2.95%	59 pence

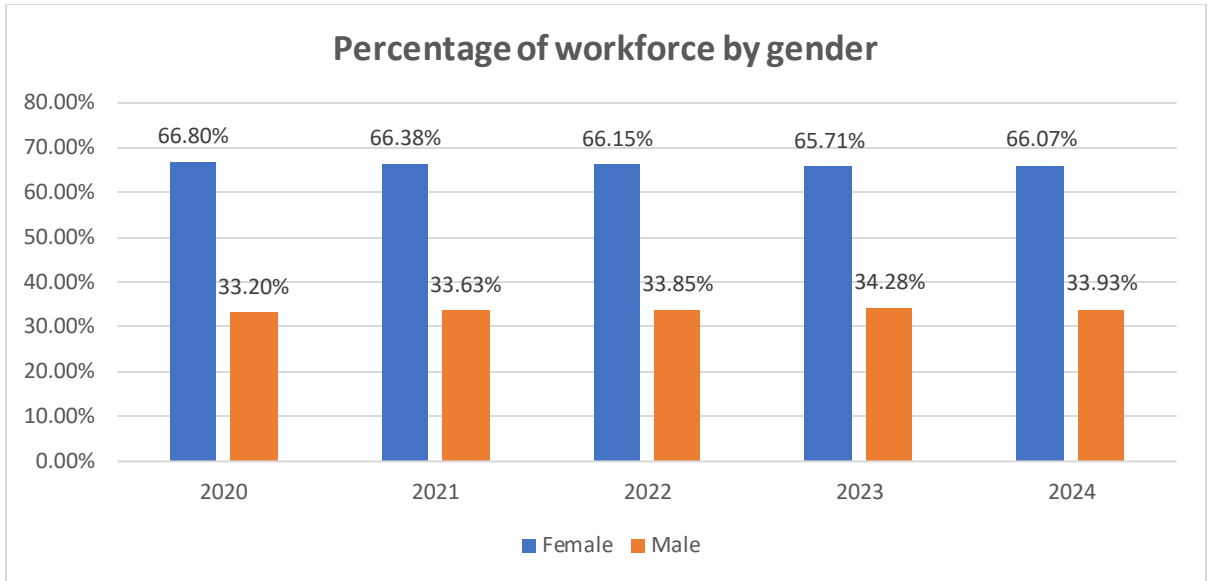
26. Looking at this more closely, this translates to a mean hourly rate for men of £19.98 per hour and a mean hourly rate of £19.39 per hour for women. The detailed gender equality pay gap report for 2024 is shown at Annex 1.

Oxfordshire County Council workforce profile by gender

27. Table 2 shows the profile of the council's workforce by gender across all pay grades (including casual workers), drawn from the council's workforce diversity report.

28. It illustrates that 66.07% of the council's workforce are female. It is also a steady representation of the composition of its workforce since 2020.

29. **Table 2: Percentage of Oxfordshire County Council workforce by gender (extract of Workforce Diversity report 2024)**



30. For the purpose of statutory gender equality pay gap reporting, casual workers are excluded from the data as they are not employees.

31. When casual works are removed from the data for the purposes of the gender equality pay gap report submission, the council employed 5,216 employees of which 64.97% (3389) were female.

Median gender pay gap

32. As at 31 March 2024 the median hourly rate of pay for men working at Oxfordshire County Council was the same as for women, at £18.04 per hour. This gives a median gender pay gap of 0% (0p per hour).

Benchmarking

33. In October 2024 the Office of National Statistics (ONS) reported the 2024 UK gender pay gap, as follows:

- The national gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a quarter among full-time employees. In April 2024, it stood at 7.0%, down from 7.5% in 2023.
- The national gender pay gap is larger for employees aged 40 years and over than those aged under 40 years.
- The national gender pay gap is larger among high earners than among lower-paid employees.
- In April 2024, the national gender pay gap was highest in skilled trades occupations and lowest in the caring, leisure and other service occupations.
- In April 2024, the national gender pay gap among full-time employees was higher in every English region than in Wales, Scotland, or Northern Ireland.

- The gender pay gap measures the difference between average hourly earnings excluding overtime of men and women, as a proportion of men's average hourly earnings excluding overtime; it is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.

34. Tables 3, 4, and 5 below provide benchmark performance data for other public sector organisations, regional comparisons, and the link between employer size and the median gender pay gap.

35. Table 3: Public sector comparison**

Economic sector	Responses	Median gender pay gap (%)
Public administration and defence; compulsory social security	496	4.50%
Oxfordshire County Council		0%

36. Table 4: Regional comparison**

Region	Responses	Median gender pay gap (%)
London	2,680	11.50%
Southeast England	1,591	10.50%
Oxfordshire County Council		0%

37. Table 5: The link between employer size and the gender pay gap**

	Responses	Median gender pay gap (%)
5,000-19,999	513	7.84%
Oxfordshire County Council		0%

38. ** Source; Chartered Institute of Personnel and Development, May 2024, based on March and April 2023 snapshot data.

39. Despite the widening of the council's mean gender equality pay gap compared to last year, the benchmark data provides reassurance that the council is still performing well against its peer groups in respect of both the mean and median gender equality pay gap when looked at in isolation.

Why has the council's gender equality pay gap changed?

40. Whilst the council's gender equality pay gap is positive compared to its peer groups, it is still important to observe what has caused it to widen, and how the council might take steps to ensure that it does not widen further.

41. It is notable that whilst the council's workforce is predominantly made up of female employees, there was a slight change in the workforce profile between 2023 and March 2024 (the date upon which the data is required to be taken).
42. Specifically, the council saw a 4% increase in female employees in the lower and lower-middle pay quartiles, and fewer in the upper and upper middle quartiles.
43. This was compounded by a 1.2% decrease in male employees in the lower-middle pay quartile, and an increase of 5.5% male employees in the top two quartiles.
44. The council also experienced a large percentage of female leavers (70.23%) in the 23 / 24 financial year.

Ethnicity pay gap

45. Unlike the gender pay gap, the council is not legally required to publish its ethnicity pay gap. However, positive steps have been taken to measure and be transparent about the council's performance in this area.
46. The council's ethnicity pay gap data has been calculated using the same methodology set out in the Government regulations for calculating its gender pay gap. The same snapshot date of 31 March 2024 has also been used. The details included in this report are:
 - Mean ethnicity pay gap in hourly pay;
 - Median ethnicity pay gap in hourly pay;
 - Proportion of White, Black, Asian, and ethnic minority employees in each pay quartile.

Mean ethnicity pay gap

47. The percentage difference in mean hourly rate between white employees and employees who identify as Black, Asian, or of minority ethnicity background is 2.59% (51p per hour). This represents a significant increase from 0.22% in March 2023 (4p per hour).

Median ethnicity pay gap

48. The percentage difference in median hourly rate between white employees and employees who identify as Black, Asian, or of minority ethnicity background is 0% (0p per hour). This is a positive indication of equality.
49. It is also notable that this percentage difference has decreased since the first reporting period in March 2020 where the difference was -5.5% (-82p per hour). There has also been a decrease since the previous reporting period where the difference was -2.74% (0.48p per hour).

Distribution by pay quartiles

50. The quartile information is calculated by listing all salaries from highest to lowest and then splitting that information into four equal quarters to determine the percentage of White and Black, Asian, and ethnic minority employees in each quartile.

Upper quartile

51. The percentage of Black, Asian, and ethnic minority employees in the upper quartile decreased from 9.5% in March 2023 to 8.7% in March 2024.

Upper middle quartile

52. The highest proportion of Black, Asian, and ethnic minority employees remain in the upper middle quartile, although the percentage decreased from 13.4% in March 2023 to 12.4% in March 2024.

53. Further analysis shows that most Social Worker posts are in this pay quartile where the council employs a high proportion of Black, Asian, and ethnic minority employees. 24.03% of Social Workers are from Black, Asian, and ethnic minority groups.

Lower middle quartile

54. The proportion of Black, Asian, and Ethnic Minority employees in the lower middle quartile steadily increased from 8.7% in March 2022 and 9.5% in March 2023 to 10.7% in March 2024. There is a high percentage of Black, Asian, and ethnic minority employees in adults and children's social care roles at this level (9.9%).

Lower quartile

55. The percentage of Black, Asian, and ethnic minority employees in the lower quartile increased from 8.1% in March 2023 to 10.2% in March 2024.

56. Whilst the highest proportion of Black, Asian, and ethnic minority employees remain in the upper middle quartile it is important that the council continues to raise awareness of the impact of unconscious bias and considers its advertising reach and development programmes so that employees or prospective employees from Black, Asian, and ethnic minority groups can develop the potential to perform senior leadership / upper quartile roles. With the recent implementation of a new applicant tracking system, the HR and Culture Change Service will be in a better position to collate and use the data available to identify and monitor trends in this area.

57. The detailed ethnicity pay gap report for 2024 provides further detail about the data and is shown at Annex 2.

The future legal framework

58. The Government has confirmed that as part of its "Make Work Pay" plan, it will introduce gender pay gap action plans and require larger companies to publish information on their ethnicity and disability pay gaps. Large

employers will also be required to produce action plans on how to address their gender pay gaps and on how they will support employees through the menopause. This will be backed up by a Regulatory Enforcement Unit for equal pay. There are currently no confirmed dates for these changes to take effect.

Closing the gender equality and ethnicity pay gaps

59. Closing the gender equality pay gap requires a meaningful, consistent, and sustained shift in cultural norms. Despite the council's positive position when compared against other organisations, it is important to continually work to close the gender equality pay gap.
60. There may be many reasons why the council has a gender equality pay gap, including:
- the number of women appointed into more junior roles, rather than higher levels
 - faster rates of turnover of female workers compared to men and;
 - successful promotion opportunities of women compared to men.
61. The HR and Culture Change Service will continue to work closely with the corporate leadership team and other services to further improve the gender equality and ethnicity pay gaps through the council's approach to opportunity, inclusion, fairness and change, delivery of the Our People and Culture Strategy and making smarter use of all relevant data.

Our people and culture strategy

62. Pay gap reporting is an important part of ensuring a fair workplace and demonstrating the council as an employer of choice, as well as having clear business benefits such as attracting and retaining talent by showing a commitment to good practice.
63. To be an employer of choice it is important to understand the barriers that colleagues may face, not only in relation to pay, but also in terms of recruitment, promotion, development, and flexible working opportunities. Together this information will help the council identify and tackle the causes of gender inequality.
64. The HR and Culture Change Service has developed an "Our People and Culture Strategy" for the period 2024 – 2025. The strategy has four key pillars:
- ✓ **Attract - Attracting, recruiting and retaining talented people**
It is essential that we are able to attract, recruit and retain our talented people to deliver excellent services for the residents of Oxfordshire.
 - ✓ **Thrive - Enabling our people to thrive and perform**

Creating a positive and inclusive work environment built on fairness, trust and transparency will allow our People to thrive and perform.

- ✓ **Grow - Enabling our people to grow and evolve for the future**
Providing growth opportunities both on and off the job to build our knowledge, skills and behaviours will help us all deliver the future together
- ✓ **Lead - Enabling our people to lead and transform for the future**
Empowering our leaders to embrace the skills and behaviours needed to achieve high performance and effective outcomes.

65. The strategy focuses on the vision of being an employer, partner and place shaper of choice, including developing the council's approach to recruitment and retention, pay transparency, flexible working, parental leave, and leadership, amongst other important initiatives. Each of these will also contribute to closing the gender equality and ethnicity pay gaps and driving continuous improvement and high levels of performance.

Data informed decision making - continuous improvement

66. Paragraph 22 of this report describes how the data used for the purposes of statutory reporting is produced at a one-off snapshot date, on a recurring basis. This provides a consistent baseline position for the Gender Pay Gap Service to monitor and compare organisation performance nationally.

67. Whilst there is some advantage to this at the external macro level, there are also disadvantages to the council's current arrangements at a local level, as it impedes its ability to be proactive and timely with intervention plans when performance declines.

68. Consideration is being given to providing quarterly management information so that performance can be monitored on a more regular basis, and in doing so consider whether immediate remedial action is required rather than waiting for 12 months before considering how sustained performance improvements may be made in these areas.

69. As reported above, smarter use of the data available, including that which is being built into the applicant tracking system will enable the council to monitor and report upon the candidate journey and how that translates to the council's workforce profile and gender / ethnicity pay reports.

Organisation redesign programme

70. Given the data was based on 31 March 2024, the impact of the council's organisation redesign programme, designed to deliver financial savings, create efficiencies, improve performance, and introduce new ways of working does not take into account the review and implementation of leadership tiers 2-4 (Directors, Deputy and Assistant Directors, and Heads of Service) which took place during the 2024/25 financial year.

71. It is important that consideration is given during recruitment to vacant posts at Tiers 2, 3, and 4, and in the design stages of the Tier 5 and onwards structures, to the impact of turnover, promotion, and recruitment upon the council's workforce profile and future gender and ethnicity pay gap reports.

EU Pay Transparency Directive

72. The EU Pay Transparency Directive came into force on 7 June 2023. It is aimed at ensuring that the right to equal pay is upheld across all member states. It introduced new employer obligations:

1. Disclose salaries at recruitment.
2. Comply with employee requests for pay data.
3. Publish gender pay gap statistics.
4. Face compulsory audits and penalties when unjustified discrepancies come to light.

73. Whilst the Directive only directly applies to EU Member States and non-EU employers who employ people in the EU, it will undoubtedly raise expectations of pay transparency both across Europe and into the UK and could increase pressure on the UK Government to legislate to match the new standards of pay transparency set by the EU.

Financial implications

74. There are no financial implications arising from the report.

Comments checked by:

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Legal implications

75. In submitting this report to Remuneration Committee and Full Council in January / February respectively, the council will meet its statutory obligation to publish its 2024 gender equality pay gap report by 31 March 2025.

76. The law does not require employers to justify the size of their gender equality pay gaps. Nonetheless, the government encourages organisations to publish a narrative explaining their figures and any actions they are taking.

77. As set out in the report the council is not required by legislation to report on any ethnicity pay gap but chooses to do so as part of its strategic priority to be an employer of choice and to aid transparency.

Comments checked by:

Anita Bradley, Director of Law & Governance and Monitoring Officer
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Staff Implications

78. The Our People and Culture Strategy has been designed with the council's strategic priority of being an employer of choice in mind which will contribute to closing the gender and ethnicity pay gaps.

Equality & Inclusion Implications

79. The council is committed to the principles of equality, diversity, fairness, and inclusion. Regardless of identity or background, everyone deserves to be able to develop their skills and talents to meet their full potential, work in a safe, supportive and inclusive environment, be fairly rewarded, recognised for the work they do, and have the opportunity to have their say on matters that affect them. The council is also committed to achieving a diverse workforce that fully reflects its community.

80. Whilst the council's gender equality and ethnicity pay gaps are positive compared to its peer groups, it is not complacent about their respective widening since last year.

81. The data at paragraphs 41-44 and 51-55 points towards a need to enable current and prospective female, and Black, Asian, and ethnic minority employees to be appointed or promoted into more senior roles. With that in mind, the council will continue to explore its inclusion initiatives, particularly where there are barriers for women, and Black, Asian, and ethnic minority employees to progress into higher paid roles, or roles where they are under-represented.

82. A combination of filling the remaining vacancies arising from the Tiers 2, 3, & 4 leadership review, the next stages of the organisation restructure, the embedding of the employee performance management framework, and a greater focus on succession planning and employee development may all provide opportunities to do just that.

83. Flexible, agile working, and family friendly policies will also assist the council to attract and retain employees in a competitive labour market and in a geographical area with low unemployment.

84. As set out in paragraphs 68-69 consideration is being given to providing quarterly management information so that performance in relation to the gender equality and ethnicity pay gaps can be monitored on a more regular basis, and in doing so consider whether immediate remedial action is required, rather than waiting for 12 months before considering how sustained performance improvements may be made in these areas.

Cherie Cuthbertson
Director of Human Resources and Cultural Change

Annex 1: Gender Equality pay gap report data 2024

Annex 2: Ethnicity pay gap report data 2024

Background papers:

- 1) Gender Equality pay gap report 2023
- 2) Ethnicity pay gap report 2023
- 3) Chartered Institute of Personnel and Development, Equality, Diversity and Inclusion, Reward analysis, May 2024

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