

Gender pay report 2020 to 2021

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Written Statement

1. At Denbighshire County Council we support the principle of diversity and equality which ensures that we employ people from diverse backgrounds who are representative of the County we serve. We are committed to providing equal pay for work of equal value and aim to provide an equitable pay structure.
2. This is the ninth gender pay report that Denbighshire County Council has published and it is part of our continuing commitment to be a fair and equitable employer; an employer that ensures its employees are not subjected to unfair discrimination.
3. Our culture of flexibility, openness and trust has ensured that staff are able to achieve a better balance of home and work life and for us, as an employer, means that we are able to recruit and retain from diverse backgrounds.
4. The practices, processes and culture that we have in place are all contributing towards a more inclusive and fairer workplace.
5. As the Leader, I am committed to ensure that this good work continues.

Cllr Hugh Evans

Leader of the Council

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Introduction

6. Since 2017 gender pay reporting legislation now requires employees, with 250 or more employees, to publish statutory calculations every year showing their gender pay gap. The gender pay gap differs from equal pay. Equal Pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. Whereas gender pay gap shows the differences in the average pay between men and women (ACAS, 2017).
7. We are aware of our responsibilities under the Equality Act 2010, which gives women and men a right for equal pay for equal work, and the requirement to carry out a Gender Pay report annually.
8. The additional purpose of this report is to consider and compare the findings of this report to the previous year's report to establish if there have been any changes and to analyse any areas of concern if necessary. There has been a change to how we must report the elements of pay for the period 2020 - 2021, therefore we can't compare to previous years. These changes are explained in paragraph 18.

What is a Gender Pay Report?

9. A gender pay report is a review of the average earnings between men and women within an organisation. The gender pay gap calculation may show that there is a difference in the pay of men and women, but it does not necessarily mean that this difference is unfair or that they are being paid unfairly. It could be that there are a higher number of men in higher paid roles and more women in lower paid roles across the organisation.

Denbighshire County Council's Pay Policy

10. Denbighshire County Council is a complex organisation employing with approximately 4583 posts. The Council has a wide range of functions which provide and/or commission a range of essential services. The approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh, UK national or professional level. It will also need to

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be flexible when required to address a variety of changing circumstances whether foreseeable or not.

11. Denbighshire County Council operates a total reward approach to attract, retain and motivate suitably skilled employees so the council can best perform. In this context it does need to be recognised that at the more senior grades, in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent (which will ideally include people from the private as well as public sector and from outside as well as within Wales), and the retention of suitably skilled and qualified individuals once in post. It must be recognised that the Council will often be seeking to recruit in competition with other good public and private sector employers.
12. The Council uses the nationally negotiated pay spine as the basis for its grading structure. This determines the salaries of the majority of the non-teaching workforce (NJC Terms and Conditions), together with the use of other nationally defined pay rates where relevant. The national pay agreement for 2020 saw an increase of 2.75% per spinal column point and Denbighshire County Council ensured the lowest SCP was equivalent to the Real Living Wage.
13. New appointments will normally be made at the bottom of the relevant grade, although this can be varied where necessary to secure the best external candidate.
14. Job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs within an organisation. It aims to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure and pay equity between jobs. The Council uses the Greater London Provincial Council Job Evaluation Scheme. The Council undertook a full evaluation and review of pay under Single Status for all Employees in terms of Pay & Grading and Terms & Conditions in April 2008 for Employees on NJC Terms and Conditions. For Senior Leadership posts the Council applies the Hay Job Evaluation Scheme. The Council undertook a full evaluation and review of our Senior Leadership Pay Structure in April 2016.

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Data Collection

15. A pay gap report gives details of the average pay comparison between women and men based on an hourly rate of basic pay. This year has seen the introduction of the requirement to report on full-pay relevant employees and includes allowances and some certain deductions when determining that hourly rate of pay.
16. The report is based on salary data taken as a snapshot of 31st March, 2021. The total headcount of the review was 4583 based in various locations across Denbighshire County Council. For the purposes of this report 4449 were full-pay relevant employees.
17. The Gender Pay Report requirements for 2020 - 2021 include the need to determine full-pay relevant employees from our overall headcount of employees. Full-pay relevant employees are all employees who are employed on 31st March, 2021 and are paid their usual full basic pay during the pay period in question. Any full-pay relevant employees who have been paid less than their usual basic pay during the period will be excluded from the gender pay calculation. This could be due to the employee choosing to pay into Salary Sacrifice Schemes, be on maternity or paternity leave, special leave or furloughed (furlough not applicable to DCC). However, they are still included in the headcount figure above.
18. The gender pay reporting legislation requires organisations to report on the gender pay gap of bonus payments. Denbighshire County Council does not make any bonus payments to staff, so this analysis is not applicable.
19. There are a variety of terms and conditions within Denbighshire County Council these are NJC, Soulbury, Heads of Service and Directors, Teachers and JNC (Youth Workers) all of which were included in the overall report unless otherwise stated.
20. No personal data was investigated during the compilation of the information. The categories that were extracted for the various reports are as follows, further data on protected characteristics is reported in the Annual Public Sector Duty Report:
 - Grade

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- Gender
- Pay
- Ethnicity
- Disability
- Contractual Hours

21. The reports indicate the percentage value of any pay gaps. This is showing as a -% if males are paid less than females and a +% if females are paid less than males.
22. A report containing all of the salary information, contractual hours, gender, and other protected characteristics was created and used to complete the report.
23. The data is drawn from both the HR information system and the Payroll system. The report includes all employees except where otherwise stated.
24. The data will be displayed using the mean calculation which is typically used to measure the 'average' of a set of values. This is calculated by dividing the sum of the values by the number of values and reflects the full earnings distribution. The mean is useful when women are over represented in the low earning extreme and men in the higher earning extreme.
25. The median calculation has also been used which is another way to find the 'average' of a set of values. This is calculated by ordering the values and taking the central value as the average, identifying the wage of a middle earner. This is the best representation of the 'typical' difference as it is unaffected by the small number of very high earners.

Analysis and Findings

26. The purpose of this section of the report is to establish whether pay differentials have altered or remained the same/similar when using the hourly rate of pay and comparing to the 2019 – 2020 report. As mentioned previously, the data is not as per previous years due to the relevant employee definition, and has skewed the comparison.

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The Workforce

27. The gender demographic has remained steady with no or little variation since Gender Pay Reports have been produced in 2011. Females represented 74% of the Denbighshire County Council workforce in 2021 which is the same as 2020. This shows the movement in the gender pay gap has not been affected by the variation in this demographic. The graph below shows the proportion of male to female workers by grade on NJC Terms and Conditions.

Working Pattern Comparison

28. The following table shows the gender pay gap between full time employees and part time employees using the mean hourly rate of pay for 2021.

All employees 2020: mean hourly rate

Mean hourly rate	Female	Male	Pay gap
Full-time	22.05	19.78	-11.45%
Part-time	12.72	11.49	-10.71%

29. There is a decrease in mean hourly rate for both males and females compared to the last report. This is a combination of the determination of relevant full-pay employees and reducing hourly rates based on deductions from salary, and the impact of transfer of Leisure Services into Denbighshire Leisure Limited. Therefore, the mean full time hourly rate for females has decreased from £25.23 in 2019, and males from £25.02 in 2019.

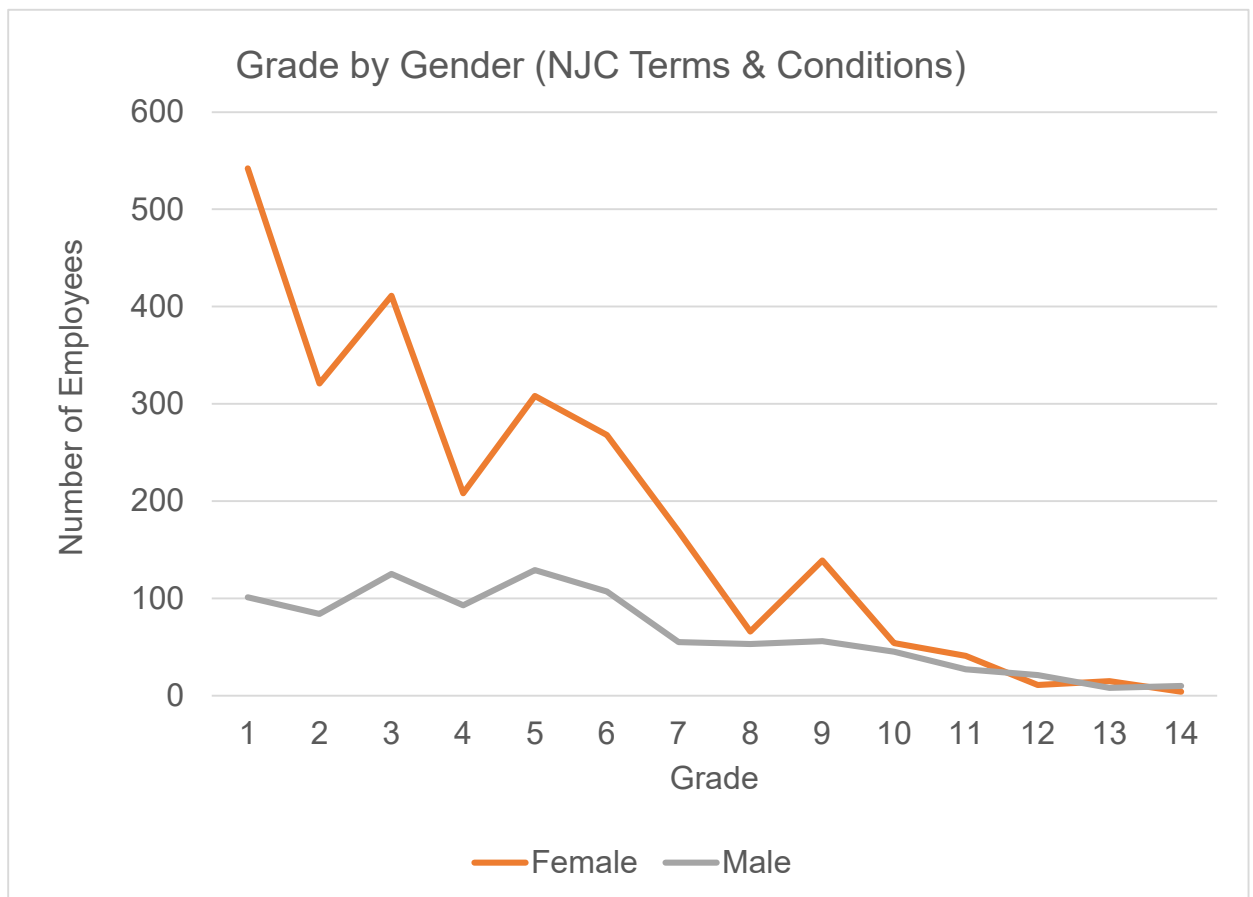
30. The following table shows the gender pay gap between full time employees and part time employees using the median hour rate of pay for 2020-2021. When using the median, the pay gap is favourable to both full time and part time female employees. The part-time pay gap is relatively unchanged, however the full time pay gap has increased since last year, which could again be attributed to the transfer of Denbighshire Leisure Ltd.

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All Employees 2020: median hourly rate

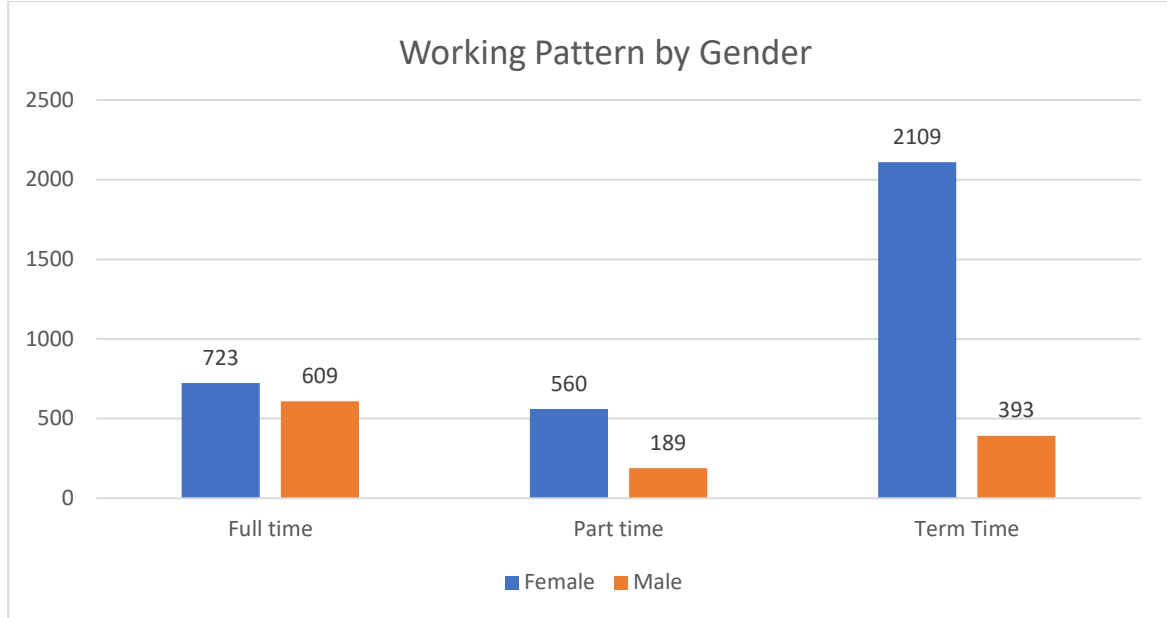
Median hourly rate	Female	Male	Pay gap
Full-time	18.53	15.33	-20.87%
Part-time	10.01	9.81	-2.04%

31. The table below demonstrates the full time female employees and full time male employees by grade in Denbighshire County Council. This graph displays the large proportion of part time female employees on the lower grades, and also the larger proportion of full time males at the higher grades.



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32. The table below demonstrates the distribution of males and females by working pattern.



Overall Gender Pay Gap

33. The mean gender pay gap (hourly rate) is 6.73% (see below). This includes all employees in the council on differing terms and conditions and working patterns. The second row in the table below shows the median overall gender pay gap using the median hourly rate of pay, which is higher than the figure produced using the mean hourly rate.

All Employees 2020 Gender Pay Gap	Female	Male	Pay gap
All Employees 2020 Hourly Rate (Mean)	16.36	17.54	6.73%
All Employees 2020 Hourly Rate (Median)	12.20	13.03	6.37%

Annual Gender Pay Gap Comparison

34. The following table show the mean gender pay gap comparison between 2019 and 2020 for Employee on NJC terms and conditions show an increase in the pay gap.

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Overall FTE Salary	2020 Hourly Rate	2019 Hourly Rate
Female (Mean)	16.36	17.26
Male (Mean)	17.54	18.05
Gender Pay Gap	06.73%	04.38%

Salary Quartiles

35. Quartiles split the data set into four equal salary groups, based on the overall pay range of employees in Denbighshire County Council. The table below show the gender breakdown in each of the four pay bands. Generally, the proportionate distribution of the workforce across the four bands is relatively equal, however it does show that we have a high proportion of female employees in the Lower Quartile, followed by Lower Middle Quartile. This is symptomatic of occupational segregation which all organisations experience, both vertically and horizontally. Occupational segregation is where there is an uneven distribution of males and females in stereotypical career choices, for example health and social care, which are traditionally female roles and construction roles which are traditionally male roles.

All employees 2020	Number of Females	Number of Males	Proportion of Females	Proportion of Males
Upper Quartile	779	304	71.93%	28.07%
Upper Middle Quartile	729	325	69.17%	30.83%
Lower Middle Quartile	813	310	72.40%	27.60%
Lower Quartile	943	246	79.31%	20.69%

Summary of Good Practice to Help Address Gender Pay Issues

36. Denbighshire County Council is committed to delivering equal treatment for all employees in accordance with the Equality Act 2010.

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37. As we monitor the size of our gender pay gaps within Denbighshire County Council, we will seek to continue to ensure that we have HR policies and practices in place that will help to close the gaps and working with managers to raise awareness going forward.
38. We have a clear policy of paying employees equally for the same or equivalent work regardless of their sex or any other protected characteristic, which ensures that our gender pay gap does not stem from paying men and women differently for the same or equivalent work, but is as a result of the roles which men and women undertake within the Council and the salaries that those roles attract.
39. The changes to the reporting requirements for 2020 – 2021's Gender Pay Report has had a significant impact on our pay gap in each calculation. This is also impacted by a change in our organisation structure and transfers to Denbighshire Leisure Ltd. This has made the yearly comparison difficult, and we will continue to monitor our progress with the new means of calculation going forward.

Areas that we will continue to monitor and work to strengthen: -

40. Denbighshire County Council will continue to develop and maintain our Equal Opportunities in Employment policy for employees.
41. Consistent application of pay practices and advice and a robust job evaluation process.
42. Fair recruitment and selection practices, and continue to monitor this process looking at protected characteristics.
43. Encourage the use of our flexible working policies and home working policy where possible to actively assist in addressing equality issues. The pandemic has led to these policies being the norm in most cases, work is continuing to review and improve these methods for the future.
44. Working to ensure that there are no perceived barriers to development and progression.

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45. Continuing to improve our equality monitoring systems, expand our analysis and share the outcomes.
46. Ensure that a Gender Pay Report is conducted annually comparing data year on year and to ensure any improvement plans are actioned and updated.
47. Monitor exit interview data and identify trends to understand the common reasons for leaving.
48. Future reporting plans to analyse the proportion of women and men who return to work after maternity, paternity, adoption or shared leave to resume their original jobs.
49. Train and support line managers on equalities through e-learning and receive advice and guidance as to what behaviours and actions are required of them and their employees in the workplace.