

# **Gender pay report 2018 to 2019**

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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 eighth 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. I am pleased to see that we are achieving a better gender balance in our overall pay gap, including an increase in the number of women at senior level.
5. This demonstrates that the practices, processes and culture that we have in place are all contributing towards a more inclusive and fairer workplace.
6. As the Chief Executive, I am committed to ensure that this good work continues.

Judith Greenhalgh

**Chief Executive**

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## Introduction

7. 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).
8. 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.
9. 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.

## What is a Gender Pay Report?

10. 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

11. Denbighshire County Council is a complex organisation employing with approximately 4767 posts. The Council has a wide range of functions which provide and/or commission a wide 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 be flexible when required to address a variety of changing circumstances whether foreseeable or not.

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12. 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.
13. 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. A 2 year pay deal was agreed for the cost of living increase in 2018 that increased spinal column point 20 upwards by 2% in 2018, with all points below receiving between 9.2% and 3.73%, this higher increase on the bottom points was to close the gap between the pay structure and National Living Wage increases. The Pay Structure has been amended for 2019 to assist in coping with the compacting of differentials at the lower end of the pay spine, and this impact will be considered in next years' report. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined in accordance with collective bargaining machinery and/or as determined by Council Policy.
14. New appointments will normally be made at the bottom of the relevant grade, although this can be varied where necessary to secure the best candidate.
15. 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 the Hay Job

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Evaluation Scheme. The Council undertook a full evaluation and review of our Senior Leadership Pay Structure in April 2016.

## Data Collection

16. A pay gap report gives details of the average pay comparison between women and men based on an hourly rate of basic pay. This does not include any additional allowances.
17. The report is based on salary data taken as a snapshot of 31st March, 2019. The total headcount of the review was 4767 based in various locations across Denbighshire County Council. Salaries of part-time employees were factored up to the full time equivalent.
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. Teachers were included in the overall statistical analysis, however, separate in depth analysis was not undertaken by hourly rate due to their national terms and conditions meaning there is no gender pay gap.
20. 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.
21. 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
  - Gender
  - Pay
  - Ethnicity
  - Disability

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- Contractual Hours

22. 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.

23. A report containing all of the salary information, contractual hours, gender, and other protected characteristics was created and used to complete the report.

24. The data is drawn from both the HR information system and the Payroll system. The report includes all employees except where otherwise stated.

25. 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.

26. 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

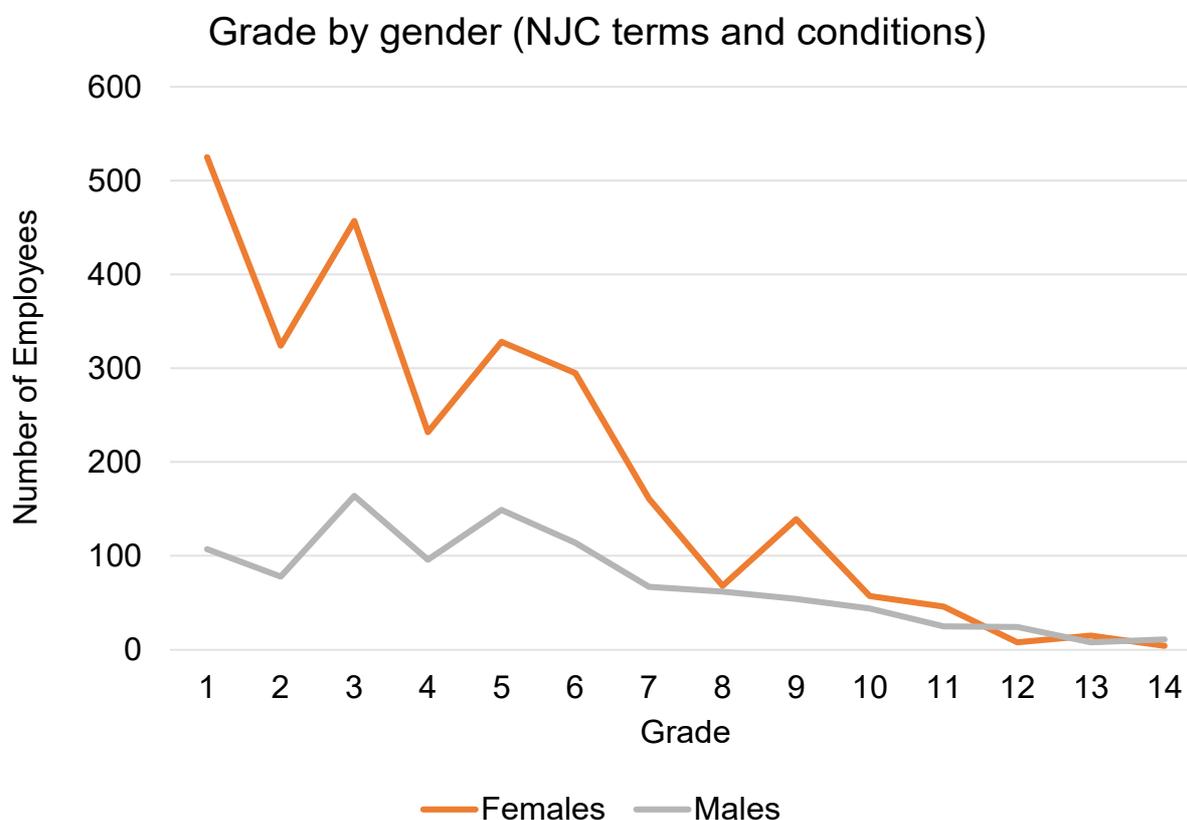
27. The purpose of this section of the report is to establish whether pay differentials have altered or remained the same/similar when using the hourly rate of pay and comparing to the 2017 – 2018 report. This method offers the most accuracy and is the familiar and tested methodology used by the Office of National Statistics.

## The Workforce

28. The gender demographic has remained steady with no or little variation since Gender Pay Reports have been produced in 2011. Females represented 73% of the Denbighshire County Council workforce in 2018 and for 2019 it is 72%. This shows the movement in the gender pay gap has not been affected by the variation

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in this demographic. The graph below shows the proportion of male to female workers by grade on NJC Terms and Conditions.



### Working Pattern Comparison

29. The following table shows the gender pay gap between full time employees and part time employees using the mean hourly rate of pay for 2019.

#### All employees 2019: mean hourly rate

Mean hourly rate	Female	Male	Pay gap
Full-time	19.85	18.09	-09.71%
Part-time	11.84	10.41	-13.77%

30. As mentioned earlier in the report, the increase in hourly rate is as a result of the higher than normal cost of living increase on the NJC Pay Structure for 2018. Therefore, the mean hourly rate for females has increased from £18.37 in 2018, and males from £17.18 in 2018. The increase in average hourly rate for females is

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higher due to the distribution of females in the lower graded posts (i.e. Grade 1 to 4) that have seen the larger pay increases.

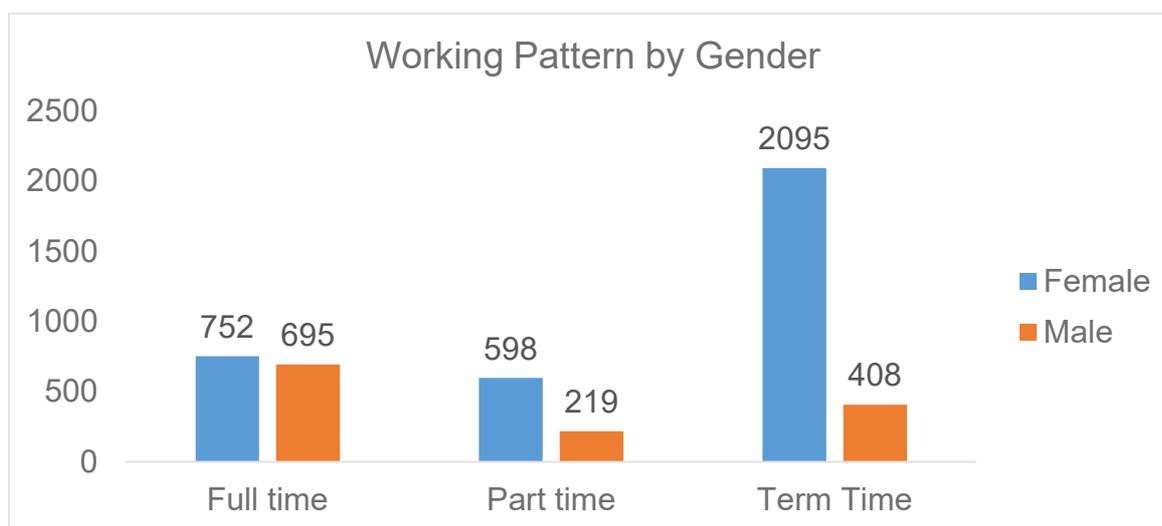
31. The following table shows the gender pay gap between full time employees and part time employees using the median hour rate of pay for 2019. When using the median, the pay gap is favourable to female part time employees.

### All Employees 2019: median hourly rate

Median hourly rate	Female	Male	Pay gap
Full-time	21.67	21.94	01.24%
Part-time	13.78	10.62	-29.74%

32. 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.

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



### Overall Gender Pay Gap

34. The mean gender pay gap (hourly rate) is 7.66% (see below). This has improved from the previous year. This includes all employees in the council on differing terms

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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.

<b>All Employees 2019 Gender Pay Gap</b>	<b>Female</b>	<b>Male</b>	<b>Pay gap</b>
All Employees 2019 Hourly Rate (Mean)	15.13	16.10	06.04%
All Employees 2019 Hourly Rate (Median)	13.78	10.62	-04.13%

### Annual Gender Pay Gap Comparison

35. The following table show the gender pay gap comparison between 2017 and 2018 for Employee on NJC terms and conditions show a reduction in the pay gap.

<b>Overall FTE Salary</b>	<b>2018 Hourly Rate</b>	<b>2019 Hourly Rate</b>
<b>Female (Mean)</b>	14.11	15.13
<b>Male (Mean)</b>	15.28	16.10
<b>Gender Pay Gap</b>	07.66%	06.04%

### Salary Quartiles

36. 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 Pay Band A, followed by Pay Band B. 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.

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All employees 2018	Number of Females	Number of Males	Proportion of Females	Proportion of Males
Upper Quartile	821	362	69.40%	30.60%
Upper Middle Quartile	658	286	69.70%	30.30%
Lower Middle Quartile	987	414	70.45%	29.55%
Lower Quartile	974	257	79.12%	20.88%

### Summary of Good Practice to Help Address Gender Pay Issues

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

38. 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.

39. 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.

40. Overall our gender pay gap across all terms and conditions is 06.04% which is decreasing year on year. The national average gender pay gap in all sectors of all employees is 17.08% with the average median public sector being 14.02% so comparing Denbighshire's gender pay gap of 06.04% we are less than half the national and sector average.

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

41. Denbighshire County Council will develop and maintain our Equal Opportunities in Employment policy for employees.

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42. Consistent application of pay practices and advice and a robust job evaluation process.
43. Fair recruitment and selection practices, and continue to monitor this process looking at protected characteristics.
44. Encourage the use of our flexible working policies and home working policy where possible to actively assist in addressing equality issues.
45. Working to ensure that there are no perceived barriers to development and progression.
46. Continuing to improve our equality monitoring systems, expand our analysis and share the outcomes.
47. Ensure that a Gender Pay Report is conducted annually comparing data year on year and to ensure any improvement plans are actioned and updated.
48. Monitor exit interview data and identify trends to understand the common reasons for leaving.
49. 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.
50. 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.