



GENDER PAY GAP REPORT

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Background

The Gender Pay Gap Information Regulations require all employers with 250 or more employees to report their Gender Pay Gap annually, publishing on a national Government website as well as the organisations website. The Gender Pay Gap Information Regulations apply to employers in the Public and Private sector.

In addition to these new regulations, employers in the public sector are subject to a specific public sector equality duty in respect of their functions - The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

The regulations apply to all employers with 250 or more employees on the "snapshot" date. The "snapshot" date for the public sector is 31st March each year. Therefore, the authority is required to publish its gender pay gap for each year on the Portsmouth City Council (PCC) website and on a Government website, no later than 30th March of the following year. So for the snapshot date of March 2018, the findings must be published no later than 30th March 2019.

The purpose of Gender Pay Gap reporting is to achieve greater gender equality across the UK and increase pay transparency. It has been estimated that the under-utilisation of women's skills costs the UK economy 1.3 - 2% of GDP annually, and that eradicating the full-time gender pay gap would contribute additional spending into the economy of £41b each year.

In 2018 the national gender pay gap for full-time employees was 8.6%, meaning that average pay for full-time female employees was 8.6% lower than for full-time male employees. The gap has decreased from 9.1% in 2017. The national gender pay gap for all employees, full and part-time is 17.9% which is a slight decrease from 2017 when it was 18.4%; however this figure remains down from 27.5% in 1997.

The Government considers that this rate of progress is too slow, and has committed to closing the gender pay gap within a generation.

PCC is committed to the principle of equal pay for all employees by ensuring that it meets the requirements of the Equality Act. To achieve this PCC uses a job evaluation system scheme (JESS) to assess the value of all jobs across the organisation, which provides evidence in support of the banding of each job within our grading structure. Salaries are paid according to band and incremental annual progression within the band occurs irrespective of employee's gender.

Whilst the data on the age breakdown is not a statutory requirement under the legislation, this data has been included at the request of our Members. The ONS has published some national data on the age breakdown and the same categorisation and calculations used by the ONS have been replicated for the breakdown of the data for Portsmouth City Council.

Sources:

ONS Gender Pay Gap in the UK: 2018

CIPD Gender Pay Gap Reporting Guide March 2017

ONS Annual Survey of Hours and Earnings: 2017 provisional and 2016 revised results

ONS Understanding the gender pay gap in the UK

Methodology

The Regulations clearly define the methodology for the Gender Pay Gap calculations and reporting guidelines.

The regulations require employers to publish the following information:

- The mean gender pay gap;
- The median gender pay gap;
- The mean bonus pay gap;
- The median bonus pay gap;
- And the relative proportions of male and female employees in each quartile pay band.

The Regulations detail how to carry out the calculations and these are based on how the ONS undertakes their calculations to allow for comparisons to be made nationally against the data.

All public sector organisations are required to publish their reports by no later than 30th March of the following year.

The report will be based on hourly pay rates as at 31 March 2018 and on bonuses paid between 1 April 2017 and 31 March 2018.

Scope

The regulations create two categories of people who have to be taken into account in the gender pay gap reporting: relevant employees and relevant full-pay employees.

For the purposes of gender pay gap reporting, the definition of an employee is that which is given in the Equality Act 2010. This is an extended definition which includes:

- Employees (those with a contract of employment)
- Workers with a contract to do work or provide services for your organisation
- Some self-employed people who have to personally carry out the work they do for you.

The gender pay gap calculation is based on the number of individual employees and not the full-time equivalent. This means that each part-time employee counts as one employee.

Apprentices, seasonal, temporary or casual employees and zero hours workers are included if they fall within the reference period created by the snapshot date.

Definitions

Gender Pay Gap

The gender pay gap is a measure of labour market or workplace disadvantage, expressed in terms of a comparison between males and females average hourly rates of pay. The gap can be measured in various ways and it is important to understand how the gap is being measured. The hourly rates of pay, excluding overtime are used to take account of the fact that many more males than females work full-time. Overtime is excluded because it is recognised that male employees work more overtime than female employees due to female's caring responsibility and part-time nature of work.

Equal Pay

Equal pay means that there should be no difference in the contractual terms of a female and a male doing equal work, who both work for the same employer. For further details please refer to the Equality Act 2010.

The difference between Gender Pay Gap and Equal Pay

The most important difference between equal pay and the gender pay gap is that, equal pay requires one to scrutinise information at the level of the individual employee (to satisfy that there is equal pay for equal work). Gender pay gap reporting asks you to examine aggregate data.

Mean Gender Pay Gap

The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

To calculate the mean

The mean is an average of all the numbers in a dataset, that is you have to add up all the numbers and then divide the result by how many numbers you are dealing with. To find the mean hourly rate for PCC's full-pay relevant male employees, all the hourly rates will be added together and then divided by the total number of full-pay relevant male employees. This will give the "mean" hourly rate.

Median Gender Pay Gap

The difference between the median hourly rate of pay of male full-pay relevant employees and that for female full-pay relevant employees.

To calculate the median

The median is the numerical value which splits the top 50% and the bottom 50%. To find the median, all the hourly rates for all employees will be listed in numerical order; if there are an odd number of values, the median is the number in the middle. If there is an even number, the median is the mean of the two central numbers.

Bonus

Bonus pay means any remuneration that is in the form of money, vouchers, securities, securities options or interests in securities and relates to profit sharing, productivity, performance, incentive or commission. Non-consolidated bonuses are included. Long service awards with a monetary value are also included.

For PCC, this captures Long Service Awards and one-off honoraria payments. Regular honoraria payments are excluded from "bonus" calculations and included in "ordinary pay".

Mean Bonus Gap

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

Median Bonus Gap

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

Bonus Proportions

The proportions of male and female relevant employees who were paid bonus pay during the relevant period.

Quartile Pay Bands

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Quartiles

A quartile is one of the three points that divide the population of data into 4 equal parts. In the context of gender pay gap reporting, the four quartile pay bands are created by dividing the total number of full-pay relevant employee into four equal parts. For clarification, that is not PCC Pay bands.

Measures

A positive measure, for example 18%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

A negative measure, for example -18%, indicates the extent to which females earn, on average, **more** per hour than their male counterparts. This may happen, for example, if PCC employ a high proportion of males in low-paid part-time work, and/or the senior and higher paid employees are female.

The Workforce Profile

The Gender Pay Gap data supplied is correct for all staff, including school staff, in post with Portsmouth City Council on 31st March 2018 who earned their full-pay (relevant employees). At that time, there were 5294 relevant full pay employees, which is made up by 3853 females (73%) and 1441 (27%) males. Out of the 5294 relevant employees, 81 are covered by TUPE regulations (37 are male and 44 are female).

The profile of the workforce has been broken down into the proportion of full time and part time employees, whereby 1220 (85%) of males are full time¹ and 221 (15%) are part time compared to 1889 (49%) of females are full time and 1964 (51%) are part time.

The profile of the workforce has been further categorised by age range. The age ranges used are based on those as determined by the ONS data.

Age Range	Full-time women headcount	Full-time women %	Full-time men headcount	Full-time men %	Total headcount
16 to 21	39	59	27	41	66
22 to 29	268	68	125	32	393
30 to 39	418	61	263	39	681
40 to 49	464	61	300	39	764
50 to 59	543	60	363	40	906
60 and over	157	53	142	47	299
Total	1889		1220		3109

According to the ONS report "Understanding the Gender Pay Gap in the UK 2018", men are proportionally more likely to work full time than women. Between the ages of 30 to 39 and 40 to 49 more than 90% of men's jobs are full time. Women however, are less likely to work full time with only 61% of 30 to 39 and 58% of 40 to 49 year olds working full time.

Based on the Council's breakdown, our data for full time females correlates with the national data, however as the majority of our workforce is predominantly female this skews the data to show that they are the higher proportion of workers across each age category compared to males.

Age Range	Part-time women headcount	Part-time women %	Part-time men headcount	Part-time men %	Total headcount
16 to 21	14	67	7	33	21
22 to 29	124	85	22	15	146
30 to 39	446	94	29	6	475
40 to 49	513	95	28	5	541
50 to 59	537	93	43	7	580
60 and over	330	78	92	22	422
Total	1964		221		2185

¹ Full time is as determined by ONS as those working 30 hours or more.

In addition to the above age profile of the workforce, and using the same methodology as applied by the ONS, the gender pay gap has been broken down by age and full-time/part-time hours. In accordance with the ONS data, full time hours has been classed as 30 hours or more. The Gender pay gap by age full-time/part-time is based on the median salary within each data category (as per the ONS data) and uses a separate calculation for part time and full time per age range.

The data looks at the gender pay gap for people of a similar age and working pattern, unlike the statutory data which looks at the gender pay gap based on the median difference between men and women. Therefore the gender pay gap within each age bracket does not relate to the overall median figure because that is based on **all** relevant employees across the Council, whereas the age gender gap is based on each individual age groupings and working patterns within those age brackets.

Age Bands	Full Time %	Part Time %
16 to 21	0.00	-5.64
22 to 29	-20.91	-4.92
30 to 39	-1.94	-6.65
40 to 49	5.79	-1.87
50 to 59	8.24	3.05
60 and over	12.77	-3.07

The table above shows that within each age bracket where there is a negative figure, for example -18%, this indicates the extent to which females earn, on average, **more** per hour than their male counterparts. A positive measure, for example 18%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

Therefore it can be determined that female employees earn more up to age 39 for full time employees and up to age 49 and over the age of 60 for part time employees. As male employees get older, over 40 years old, they tend to earn more than female employees within the same age bracket. Where there are pay gaps in the age ranges this may indicate the impact of taking time out of the labour market and the preference for working part time when re-joining the labour market, for example for reasons such as taking time out to have children or other caring responsibilities.

Key Findings

Mean Gender Pay Gap

The difference between the mean hourly rate of pay for male full-pay relevant employees and that of female full-pay relevant employees is **9.55%**. In March 2017 this gap was 11.34%.

The average mean hourly rate of pay for a male was £15.71. For a female the average mean hourly rate of pay was £14.21, which results in the 9.55% difference in the mean figure reported above.

Median Gender Pay Gap

The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is **12.81%**. In March 2017 this gap was 15%.

The average median hourly rate for a male was £13.90. For a female the average median hourly rate was £12.12. This result is a 12.81% difference in the median figure reported above.

Mean and Median Pay Gap summary

PCC's median and mean gender pay gap compares favourably with the national figure from the ONS where the average gap for all employees, part-time and full-time is 18.4% based on data from 2017.

In addition to a job evaluation scheme, PCC has a clear policy of paying employees equally for the same or equivalent work, regardless of their gender. As such, the council:

- provides regular job evaluation training for employees involved in undertaking job evaluation; and
- evaluates job roles and pay bands as necessary to ensure a fair structure

The council is therefore confident that its gender pay gap does not stem from paying male and female employees differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which male and females work within the council and the salaries that these roles attract.

Across the UK economy as a whole, males are more likely than females to be in senior roles (especially very senior roles at the top of organisations), while females are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority.

Female are also more likely than males to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

The gender pay gap exists within PCC as the majority (73%) of the workforce is female and predominantly a large proportion of these are employed in the lower quartile pay bands, with fewer employed at the more senior levels.

PCC's gender pay gap is lower than the national average and this is down to a number of factors that already exist within the council:

- The introduction of a PCC Living Wage Rate of £7.85 per hour, in November 2014, paid to all employees at the lower level of the pay structure, taking employees out of working poverty. This was increased in September 2018 to pay in line with the 2018 Foundation Living Wage rate of £8.75 per hour.
- PCC promotes and supports a number of flexible working policies for all employees within the organisation, irrespective of gender. These include job share, part time working and, term time working. In some areas there is also a flexibility to work from different locations.
- Robust equal opportunities and diversity policies ensure that all employees are treated fairly and equally and a clear escalation process if an individual feels they are being treated unfairly.
- The JESS Job evaluation scheme ensures that all jobs are evaluated to ensure equal pay for equal work across the entire authority. For example, a female support worker or female manager will be paid the same pay band as her male counterpart.

Mean Bonus Pay Gap

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees is **2%**.

This has reduced significantly from last year's gap which was 48%. The reason for the reduction is due to the fact that the overall total of bonus payments made to relevant females was significantly **higher** than the overall total of bonus payments made to relevant male employees. This compares to 2017 where the overall total of bonus payments made to female employees was significantly **lower** than the overall total of bonus payments made to male employees.

Median Bonus Pay Gap

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees is **0%**.

This has reduced from last year's gap which was 63%. The reason for the reduction in the gap is based on the fact that there were a significantly high number of bonus payments made for the same value of £400 to both male and female employees, resulting in a gap of 0%.

Bonus Proportions

The proportions of male and female relevant employees who were paid bonus pay during the relevant period in the 12 months up to 31st March was 58 males (3.99%) out of a total of 1,454 males and 120 females (3.18%) out of a total of 3,777 females.

Bonus pay gap summary

The mean gender bonus gap and the median gender bonus gap for the council have significantly reduced to 2% and 0% respectively. The values of the bonus payments are comparatively small, the highest amount being £5,000 (paid to a female) to the smallest amount of £48.50 (also paid to a female). In comparison the highest amount paid to male employees was £3,500 and the smallest amount paid to male employees was £75.

The figures in the bonus proportions show that there were a similar number of male and females employees who received a bonus payment at a similar level of payment (or higher for females), which is significantly different from last year where the payments made to male employees was significantly higher. There has also been an overall reduction of the number of employees receiving a bonus payment in the relevant period up to 31st March 2018.

Some honoraria payments made within PCC are used to reward outstanding contributions and the definition of "bonus" for this report captures these types of payments. As such this can skew the data and creates inconsistencies in reporting. Continuing work is needed to ensure that recording of this data is accurate in the future.

Quartile Pay Bands

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands are set out in the table below.

	Number of males	Number of females	Total	Male %	Female %	Total %
Upper Quartile	472	850	1322	36%	64%	100
Upper Middle Quartile	360	963	1323	27%	73%	100
Lower Middle Quartile	281	1045	1326	21%	79%	100
Lower Quartile	328	995	1323	25%	75%	100

The totals differ slightly to accommodate the same hourly rate distribution across the divides.

Quartile Pay Band Summary

In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, within the Council, 75% of the employees in the lower quartile are female and 25% are male. The percentage of male employees increases throughout almost all the remaining quartiles, from 21% in the lower middle quartile to 36% in the upper quartile. In direct comparison the percentage of female employees decreases throughout almost all of the remaining quartiles from 79% in the lower middle quartile to 64% in the upper quartile.

Conclusions

While the Council's gender pay gap compares favourably with that across the whole UK economy, it is committed to doing everything that it can to continue to reduce the gap. However, the Council also recognises that its scope to act is limited in some areas - it has, for example, no direct control over the subjects that individuals choose to study or the career choices that they make. Individuals make choices about their work/life balance and one of the trends identified by Gender Pay Gap analysis is that female's pay reduces at a certain age due to caring responsibilities for dependants. This is the norm for our culture. However, Portsmouth City Council ensures that individuals are able to make these choices without suffering discrimination with its various flexible working policies and culture.

The Gender Pay Gap for the "mean" and "median" categories fall below that of the national average.

There does not appear to be any benchmarking data in relation to bonus payments from ONS that will correlate directly with the calculation method defined by the Gender Pay Gap Information Regulations. Therefore, we do not know how the percentage for bonus payments compares with the national average or sector trends. However looking at the data published by the Council's neighbouring local authorities, those who reported paying bonuses in 2017 consisted of three County Councils, one District Council and one Borough Council.

In comparison to these local authorities, Portsmouth's bonus pay gaps are slightly higher than one County Council and one District Council but are lower than one other County Council. Our neighbouring City Councils did not previously report paying any bonuses.

In terms of the impact of the Gender Pay Gap based on age, the action plan highlights in the points in 7 and 8 actions that may assist in reducing the pay gap within certain age brackets.

Action Plan/Recommendations from 2017 report and action taken to date (text in red highlights areas yet to be actioned):

Action Plan 2017	Action Taken
1. To increase Managers awareness of 'unconscious bias' during recruitment and interview processes.	An online solution for training in raising awareness of unconscious bias has been sourced and will be added to the Portsmouth Learning Gateway (our online training tool). The recruitment team will alert recruiting managers to the training and request they undertake the e-learning prior to commencing their recruitment activity. There is work underway to review and update the manager's induction and this training will be added to the suite of courses recommended for new managers.
2. Review the recruitment process and consider if it is appropriate to revise the process to anonymise the	A review is underway on the current recruitment portal to assess whether an e-form would better enable monitoring on gender, age, ethnicity and disability. This

<p>candidate's gender, age or ethnicity for the shortlisting process. This would enable a completely unbiased approach to considering candidates.</p>	<p>work will also link in with the Disability Confident Action Plan.</p> <p>Current marketing material used in recruitment campaigns has been reviewed and updated to promote diversity (for example using female representatives in traditionally male dominated industries)</p>
<p>3. Increase awareness around apprenticeship schemes to encourage more employees to improve their skills and experience giving them the opportunity to progress their career.</p>	<p>The number of apprentices being recruited in to the Council continues to increase. In addition this year the Council have recently rolled out additional apprenticeships to existing staff, including Leadership apprenticeships (of which 17 employees are currently undertaking this course). We have increased the number of apprentices from 86 in 2017 to 115 in 2018.</p>
<p>4. Promote the benefits of flexible working practices to employees and Managers (research conducted by Hays 'What workers want', showed that many employees (65%) who were looking for new opportunities stated that flexible working was the single most important factor for them). In addition the Council will monitor the take-up of flexible working arrangements by gender and level within the organisation.</p>	<p>Work is being undertaken in this area to monitor flexible working requests to include informal arrangements. This work will continue for the next 12 months.</p> <p>Review current policies and practices around the possibility of mobile working including reviewing what technology is available that may assist/support this.</p>
<p>5. Promote existing career management tools and monitor progress.</p>	<p>The recent roll out of the Leadership Apprenticeship scheme will provide tools for staff to manage/develop their careers. This scheme will be monitored over the next 12 months.</p>
<p>6. Promote the benefits of working for PCC, such as Apprenticeship opportunities, flexible working arrangements, diversity commitments, etc.</p>	<p>This is now being promoted more widely in our recruitment adverts.</p>
<p>7. Develop a greater evidence base and widen the data collection to determine trends for the proportion of men and women who return to work after maternity, paternity, adoption or shared parental leave to resume substantive posts and those that</p>	<p>Our systems are currently limited as to how far the Council is able to gather and monitor this data, but this will continue to be reviewed as far as possible. The current IT system is under review and any future specifications to take into account this requirement.</p>

continue in post a year after returning.	
8. Based on the data collected in 7 above, encourage managers to consider job redesign if there are aspects of a job that prevents or stops employees applying for them on a part-time or flexible basis.	This will continue to be reviewed in conjunction with 7 above.
9. Monitor exit interview data and identify any trends to understand if one gender is leaving for common reasons compared to the other.	Work is currently being undertaken to improve the current practices around exit interviews and the collation of this data and will continue to be improved over the next 12 months.
10. Develop a process to monitor starting pay both on recruitment and promotion for men and women to assess whether there are differences on starting pay as this can be one of the most common causes of the gender pay gap. This will be particularly beneficial in areas where there are skills shortages.	To review whether there is a way for the Council's IT system to distinguish between recruitment and promotion. In the meantime the starting pay on recruitment can be monitored over the next 12 months.
11. Continue to monitor the allocation of additional payments that are made at managers' discretion to ensure that this is not contributing to the gender pay gap or unequal pay and address any anomalies as appropriate.	A quarterly reporting system has now been implemented to monitor additional payments, with regular reports and issues being flagged to Senior Management at the earliest opportunity and as part of the on-going monitoring.
12. Monitor current pay systems and address any systematic issues so as to not cause any distortion of the data.	A quarterly reporting system has been implemented to monitor our current pay systems with regular reports and issues being flagged to senior management at the earliest opportunity and as part of the on-going monitoring.

Action Plan 2018 and in addition to the actions above:

1. Continue to look into including females in shortlists for recruitment and promotions and how to maximise the number female applicants, especially in traditionally male

dominated roles. Closer working with universities and schools to promote these careers to both genders.

2. Continue to use skill-based assessment tasks in recruitment, where appropriate and continue to use structured interviews with set questions that are put to all candidates in a pre-determined order and format.

Timescales of achieving the action plan

The action plan will be implemented over the next 12 months and reviewed on an ongoing basis, and annually in comparison with the published results of the Gender Pay Gap report, each March.



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