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**To:** Personnel Committee **Date:** 24 January 2019

**Subject:** **Gender Pay Gap Reporting**

**Classification:** Unrestricted

**Summary:** There is a legal obligation for KCC to publish a Gender Pay Gap Report (GPGR) annually which was done for the first time in March 2018 based on data from March 2017. This report compares the second report prior to publishing which is based on data from March 2018.

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## **1. BACKGROUND**

- 1.1 From April 2017, all organisations that employ over 250 employees are required to calculate and report annually on their gender pay gap. This shows the difference in average earnings for men and women. For the public sector, the calculation will be based on the hourly pay rate for each employee during the pay period that includes 31 March.
- 1.2 Through legislation, there are set calculations to show the difference in hourly pay and other payments between men and women. The mean percentage shows the difference in the average pay and the median is the middle value for all the payments when put in a list. We also need to show the proportions of men and women receiving a bonus and the gender proportions in each quarter of the pay structure.
- 1.3 The figures generated for producing the Gender Pay Gap Report are not the same as for equal pay. Equal pay concentrates on the difference between males and females undertaking roles of equal value, i.e. on the same grade.
- 1.4 The first Gender Pay Gap Report is published on Kent.gov.uk. The data is also submitted to a government website. The second year's data is due to be published by March 2019 based on 'snapshot' data from 31 March 2018. These figures have already been established.

## 2. RESULTS

2.1 To aid comparison the results are tabulated below:

<b>Measure</b>	<b>2016/17</b>	<b>2017/18</b>
Mean Gender Pay Gap	12.6%	11.1%
Median Gender Pay Gap	18.2%	11.7%
Mean Bonus Pay Gap	25.1%	31.7%
Underlying Mean Bonus Pay Gap	-	6.3%
Median Bonus Pay Gap	14.3%	16.7%
Proportion of male employees receiving a bonus	3.1%	4.1%
Proportion of female employees receiving a bonus	2.9%	2.5%

### **Pay Quartiles by Gender**

	<b>Male</b>	<b>Male</b>	<b>Female</b>	<b>Female</b>
<b>Band</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2017/18</b>
Lower Quartile	20%	20%	80%	80%
Lower Middle	17%	18%	83%	82%
Upper Middle	25%	23%	75%	77%
Upper Quartile	30%	30%	70%	70%

## 3. ASSESSMENT

- 3.1 Given the short period of time between the first results being published and the 'snapshot date' for the second year, it is not surprising that there is no large difference between the salary figures.
- 3.2 A larger difference appears for the bonus figures. However on investigation this is caused by a small number of individuals skewing the data. For example, by removing the payments above £500 – 10 payments, (6 to men and 4 to women) the mean bonus pay gap reduces to 6.3%. This highlights the need to be cautious when interpreting the results and drawing conclusions as the numbers of people receiving a bonus is low.
- 3.3 Enhancing the statutory requirements and assessing the gender pay gap on a grade basis, weighting the figure according to the number of women who work in that grade then adding the proportional pay gaps together, gives an overall proportional pay gap of -0.55%, i.e. it is positive in favour of women.
- 3.4 It is important to ensure that the narrative explaining the results is sufficiently clear and robust to mitigate the risk of a misinterpretation of what the data is actually showing.
- 3.5 There are many factors impacting the Gender Pay Gap figures such as appointing salaries, progression awards, job segregation (jobs 'preferred' by men or women). All these need to be designed and operated without bias to help reduce the gender pay gap.
- 3.6 We have already implemented changes to the managing performance / Total Contribution Pay cycle to ensure as many people as possible receive an

appraisal rating resulting in a pay increase from 1 April. Previously there was a 9-month aggregate rule which deferred an assessment. Although payments were backdated appropriately, removing this rule helps ensure that people receive pay increases in a consistent and timely way.

- 3.7 Opportunities are taken, including through KMail, KNet, ELearning, Guidance, to engage with managers and remind them about their responsibilities to deliver fairness and equality in the round. This is intended to help treat everyone in an unbiased way and reduce the Gender Pay Gap figure over time.

#### **4. CONCLUSION**

- 4.1 There are numerous factors which influence the gender pay gap figure. KCC continually reviews policies, procedures and processes to ensure they are gender neutral in their design and operation.
- 4.2 Closing the Gender Pay Gap was always going to require time to address and correct. It took 20 years to reduce the national gender pay gap from 25% to 18%. Our progress to date is positive with scope for further improvement.
- 4.3 Attached is the proposed report and narrative that will be published both on [kent.gov.uk](http://kent.gov.uk) and the relevant Government website in March 2019.

#### **5. RECOMMENDATIONS**

- 5.1 Personnel Committee consider the report and endorse the proposed statement.

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#### **Background Documents:**

Personnel Committee – Mandatory Gender Pay Gap Reporting and Statement – 23 January 2018.