



Isle of Wight Council Gender Pay Gap Report 2018/2019

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Preamble

From 2017, Gender Pay Gap Legislation requires any organisation that has 250 or more employees to publish a report showing how large the pay gap is between male and female employees. The pay gap is the difference between the average (mean or median) earnings of men and women, expressed as the percentage of women's earnings compared to men's earnings.

The report must be published by the 30th of March each year for the public sector and the 4th of April each year for the private sector, the information must be displayed on the employers' own website and a designated Government website.

Employers are required to calculate the following information:

- ***Their 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 employees)
- ***Their 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 employees)
- ***Their mean bonus* gender pay gap*** (The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees)
- ***Their median bonus* gender pay gap*** (The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees)
- ***Their proportion of males and females receiving a bonus payment*** (The proportions of male and female relevant employees who were paid bonus pay during the relevant period)
- ***Their proportion of males and females in each quartile* pay band*** (The proportions male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands).

*Bonus 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.

*A quartile is one of the three points that divide the population of data into four 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 employees into four equal parts.

This report is based on those who were employed on the 31st of March 2019. The pay period used for the calculation of pay was the month of March 2019 as employees are paid monthly. The bonus period covers the period 1st of April 2018 to the 31st of March 2019.

Scope

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

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

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 are included if they fall within the reference period set out above.

Gender Pay Gap Information

1. The mean gender pay gap in hourly pay

	Females (£)	Males (£)	Gap (%)
March 2017	12.6	13.93	9.6
March 2018	12.13	13.48	10.1
March 2019	12.80	13.95	8.26

2. The median gender pay gap in hourly pay

	Females (£)	Males (£)	Gap (%)
March 2017	10.57	12.42	14.9
March 2018	10.44	12.35	15.5
March 2019	10.89	12.61	13.66

3. The mean bonus gender pay gap

	Females (£)	Males (£)	Gap (%)
March 2017	0	0	0
March 2018	1345	0	
March 2019	1704	0	

4. The median bonus gender pay gap

	Females (£)	Males (£)	Gap (%)
March 2017	0	0	0
March 2018	1345	0	
March 2019	1704	0	

5. The proportion of males and females receiving a bonus payment

	Females (%)	Males (%)
March 2017	0	0
March 2018	0.05	0
March 2019	0.06	0

6. The proportion of people in each quartile within the council's pay framework that are male and female

March 2017		
Quartile	Female	Male
Lower quartile	70%	30%
Lower middle quartile	72%	28%
Upper Middle quartile	56%	44%
Top quartile	59%	41%

March 2018		
Quartile	Female	Male

Lower quartile	69%	31%
Lower middle quartile	74%	26%
Upper Middle quartile	59%	41%
Top quartile	54%	46%

March 2019		
Quartile	Female	Male
Lower Quartile	63%	37%
Lower Middle Quartile	77%	23%
Upper Middle Quartile	58%	42%
Top Quartile	54%	46%

Statement

As a 'public body', the Isle of Wight Council is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

We are committed to promoting equality of opportunity for all workers. We aim to create a working environment in which all individuals can make best use of their skills, free from discrimination or harassment and in which all decisions are based on merit. The contributions of all our workers are valued as it is recognised that each individual brings different skills and abilities to their role according to their own personal experience and we welcome the opportunity to make the best use of this potential.

The council's senior management team is committed to equality including achieving gender pay equality, demonstrated by the operation of a Strategic Equality and Diversity Board. The senior management team as members of that board monitor and determines actions necessary which seek to address highlighted equality issues for the council.

To support those employees with dependents, the council also operates a flexible working policy which is designed to afford wherever feasible, the flexibility to accommodate caring responsibilities, irrespective of gender. Under this policy, employees are able to request career breaks, term time working, homeworking, annualised hours, compressed hours and voluntary reduced hours. Additionally, there is also a special leave policy which enables staff to take leave in the case of an emergency with a dependant. For many job roles, there is also flexibility to work from different office base locations.

The Council has taken a number of other significant steps to ensure equality of opportunity. A major project has been undertaken to evaluate all council job roles to ensure as far as reasonably practical that there is equal pay for work of equal value, and in order to implement a new pay and grading structure. The implementation of this project involved a lengthy period of consultation and engagement with the council's recognised trade unions. As a result, it was possible to secure a collective agreement with our trade unions for the delivery of a new pay structure and which was implemented in 2015. The council has a local pay framework which recognises national pay awards and we have an agreement with the recognised unions as to how the pay award is applied to the pay structure. The pay award for this year and last year had a positive impact on the salaries of lower graded staff,

As part of the job evaluation project, an in-depth equality impact assessment was carried out to clarify whether or not there was likely to be any negative impact on any of the protected characteristics as set out under the Equality Act 2010. It was confirmed that there was unlikely to be any negative impact other than a slight impact for older males. The outcome of this assessment determined that this could be justified, as it was considered necessary to ensure equality for females and of staff of all ages by using the proposed analytical scheme to give pay equality to all council staff. There was a positive impact from the new pay structure, for female council staff, especially those at lower salary levels.

As can be seen from the details set out above, the results of the gender pay gap analysis for 2019 show a 8.26% mean pay gap between men and women and a 13.66% median pay gap. Similar to previous years the distribution of the total number of females is higher in the

lower quartiles (56%) than males (41%) meaning a higher proportion of men are in receipt of a higher salary than females.

	% Females in Lower Quartiles	% Males in Lower Quartiles
March 2017	55	41
March 2018	56	40
March 2019	56	41

To understand why the gap exists, it can be identified, that the results show that 79% of part time roles are occupied by females, when compared to the proportion of full pay relevant employees that are female (63%), thus indicating that they are over represented in this group. In comparison, 56% of full-time roles are occupied by females and so they are underrepresented.

	% of part time roles occupied by Females	% of full time roles occupied by Females
March 2017	79	57
March 2018	79	57
March 2019	79	56

The reason that this will have a significant effect on the gap is that based on the hourly rate 65% of part time workers are occupying roles that are graded at below a full time equivalent (FTE) salary level of £22,500 (excluding casual workers). Whereas 72% of full-time workers occupy roles that are graded at a level above £22,500 per annum.

	% of roles earning less than £22.5K (FTE) that are part time	% of roles earning more than £22.5K (FTE) that are full time
March 2017	67	73
March 2018	66	75
March 2019	66	72

One explanation for this might be that part-time roles often afford greatest flexibility for those with caring responsibilities, who generally are more likely to be female. The council therefore is 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.

One factor which will affect the average is that 64% of first year apprentices within the council are female. At the time apprentices attracted a much lower rate of pay in their first year only rising with minimum wage for their final year. From 01 April 2019 this changed and all apprentices now receive the national minimum wage for their age group from the start of their apprenticeship.

	% of first year apprentices that are female
March 2017	78
March 2018	63
March 2019	64

Based upon the hourly rate, 57% of those in the top 15% of earners are female, , 55% of those in the top 10% of earners are female, and of the top 5% per cent of earners 58% are female. This suggests that in the council females are encouraged and enabled to reach the most senior council job roles.

	% of the top 15% of earners that are female.	% of the top 10% of earners that are female.	% of top 5% of earners that are female
March 2017	63	59	59
March 2018	54	55	57
March 2019	57	55	58

Building on action plan from last year

In response to the identified pay gap last year, the council outlined specific actions that it would undertake, as follows:

- Continue to make improvements to the council's ICT infrastructure and facilities to enable greater agility and mobility in working methods, enabling the promotion of the opportunities for flexible working to employees and as a benefit open to prospective employees.
- Provide advice and guidance to managers that will enable them to consider more creative flexible working options when recruiting to roles, especially those which are higher graded roles that have been traditionally been determined as necessary to be full time.'
- Implement revised pay rates for apprentices to make them more attractive
- Undertake a review of recruitment and retention practices and enhance our recruitment processes and systems, employment offer, and employer branding.
- Implement an induction for new managers to ensure that managers have a solid understanding of HR policies and practices including equality and diversity.
- Continue to roll out mandatory equality and diversity training across the council
- In order to clarify the reasons for part time working, we are currently developing a survey for part time workers to see what changes we, as an employer could make.

The following narrative provides an overview of the progress made against these actions, together with a range of other activities that have been undertaken to underpin our commitment to equality and diversity and which are seen to contribute in closing the pay gap. It is important to recognise that planned programmes of work span over a number of years and changes to working practices will require to be embedded. To that end, the any positive impact on the gender pay gap will take time to realise their full benefits.

The council has made significant improvements to its facilities across the Island to enhance flexible working. Employees can now work from different locations with relative ease including from home. New desks have been added to these facilities increasing capacity and specific hotdesking areas have been established to accommodate flexible workers. The rollout of agile equipment and systems such as Office 365 is nearing completion, providing the necessary tools to work flexibly. Further facilities are now being upgraded giving employees more options and help achieve a better work life balance.

The council has reviewed its pay rates for apprenticeships and in consultation with trade unions, agreed an uplift for first year apprenticeships and an increase to 80% of the evaluated grade for higher level apprenticeships. This will take effect for current and new apprentices from 1 April 2019. The increase is due to take effect from 1 April 2019, and because of this the potential benefit will only show in the data published in the March 2020 Gender Pay Gap report.

A series of recruitment focused projects have been started covering recruitment processes and systems, employment offer, and employer branding. These are designed to build a positive employer brand with a clear, well communicated and competitive employment offer that attracts and retains talented people; maximises the potential of different recruitment approaches such as apprenticeships, secondments and work experience and utilises succession planning as a management tool to support talent management. It will also look at creative flexible working options when recruiting especially those which are higher graded roles that have been traditionally been determined as necessary to be full time to encourage more women to apply to higher level roles. It aims to promote the council as an employer of choice and reduce barriers to ensure

Building on the foundations laid by the new Team IWC behaviour framework; a values-based recruitment approach is being developed to further ensure we recruit the right people with the right attitudes. Work is also being done on the implementation of name blind recruitment to further ensure fairness in the recruitment process.

The HR Team continue to hold induction meetings with new Managers' to ensure that managers have a solid understanding of HR policies and practices including equality and diversity. The managers' 'lunch and learn' discussions continue to be provided by the HR team to empower and educate managers.

Equality and diversity training was made mandatory for staff, to be completed by 31 January 2020 to ensure that all the protected characteristics are understood and respected.