1. Introduction

1.1 This report provides a narrative to support the Borough Council’s gender pay data as at the snapshot date of 31st March 2017.

1.2 The “gender pay gap” is the difference between the average (mean and median) pay of men and woman, expressed as a percentage. This is different to “equal pay”, which is concerned with pay differences between men and women who carry out the same or similar jobs or work of equal value.

2. Background

2.1 From April 2017 the Equality Act 2010 (Specific Duties and Public Authorities) Regulations require “relevant employers” to publish, on an annual basis, six ‘pay metrics’.

2.2 The regulations require the Borough Council to calculate these six metrics in a prescribed way, and to report the results on its website and to the Government Equality Office.

1.3 The six pay metrics are as follows. A definition of each metric is provided in Appendix 1:
   1. Mean gender pay gap
   2. Median gender pay gap
   3. Mean gender bonus pay gap
   4. Mean gender bonus gap
   5. Proportion of male and female relevant employees who received bonus pay
   6. Proportion of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

2.4 The Borough Council, as a public body, is a “relevant employer” as the organisation employs 250 or more employee on the snapshot date.

2.5 It is a requirement that gender pay information be published on the organisation’s web-site and Government Equalities Office website by 31st March April each year.
2.6 Salary data will be based on the snapshot date of 31st March. Bonus data will be based on all bonus payments made in the 12 months up to and including the snapshot date of 31st March.

2.7 This report will be presented to the Council’s Management Team on an annual basis prior to publication.

3. Key Findings

Detailed pay data is provided in Appendix 2 but the key findings are as follows:

3.1 Mean gender pay gap - The mean hourly rate for males is 4.30% (i.e. the mean hourly rate for males is more than the mean hourly rate for females).

3.2 Median gender pay gap – The median hourly rate for males is -3.7% (i.e. the median hourly rate for males is less than for the median hourly rate for females).

3.3 The Borough Council does not award bonus payments but believes that the lump sum payments made as part of its performance management scheme would be classed as a bonus payment in accordance with the definitions with the regulations. Information on PrP lump sum payments has been used to calculate the bonus pay gap as follows:

Mean gender bonus pay gap – The mean gender bonus pay for males is 32.2% (i.e. the mean bonus pay for males is higher than the mean bonus pay for females).

Median gender bonus pay gap – The median gender bonus pay for males is 32.4% (i.e. the mean bonus pay for males is higher than the mean bonus pay for females)

3.4 9.7% of males and 12.17% of females received a bonus payment during the relevant period.

3.5 The Borough Council employs more females than males (52.6% females, 47.4% males).

4. Assessment of Findings

4.1 Generally it is expected that organisations will have a positive percentage figure for the calculations for mean and median hourly pay and mean and
median bonus pay, as typically female employees have lower pay and bonuses than male employees.

4.2 As at the date of writing this report, 568 employers have published their gender pay data on the required Government website. The average mean hourly gender pay gap for all published organisations is 10.87% and the average median gender pay gap is 9.71%.

4.3 Further analysis of the Government website shows that, at the date of writing this report, 21 Local Authorities have published their gender pay data, with an average mean hourly gender pay gap of 6.85% and an average median gender pay gap of 5.85%.

4.4 The Borough Council's analysis therefore compares favourably, as illustrated below:

<table>
<thead>
<tr>
<th></th>
<th>Average Mean Gender Pay Gap</th>
<th>Average Median Gender Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Published Employers @ 12/01/18</td>
<td>10.87%</td>
<td>9.71%</td>
</tr>
<tr>
<td>All Published Local Authorities @12/01/18</td>
<td>6.85%</td>
<td>5.85%</td>
</tr>
<tr>
<td>BKLW&amp;WN</td>
<td>4.30%</td>
<td>-3.7%</td>
</tr>
</tbody>
</table>

4.5 The negative percentage figure reported for median pay is unusual. Typically this result is found where there are a large number of employees paid on the same pay grade and/same hourly rate. It is therefore possible that particular services within the Council could have an influence on the overall figures.

4.6 The figures reported for bonus pay do require further consideration. Both the mean and median gender bonus pay gaps reported are positive, meaning that, on average, males are receiving higher bonus payments than females. As outlined above, the only bonus payments paid to Borough Council employees are those receiving lump sum payments as part of the performance management scheme. Such payments are only made to employees at the top of their pay grade. Further analysis of the data has shown that, generally, the women who have progressed to the top of their pay grade are on lower pay scales and the men who have progressed to the top of their pay grade are on higher pay scales. The value of performance pay is determined by the employees pay scale, and therefore it follows that men are receiving higher value lump sum payments – resulting in the figures reported.
4.7 As the Borough Council’s ‘bonus payments’ are unique to its own performance management scheme, and there is no information available as to what constitutes the bonus payments paid by other employers, it is not relevant to compare the Borough Council’s mean and median gender bonus pay gaps to those of other organisations.

4.8 The Council’s overall profile is that 47.4% of employees are males and 52.6% are females. The proportion of male and female full-pay relevant employees in each quartile pay band is broadly similar, but interesting in that there are more males than females in the lower and upper quartiles. It should be noted that the opportunity to change the distribution of males and females in each quartile, particularly of females in the upper quartile, will be dependent on relevant vacancies arising, and female applicants being identified as the most suitable candidate as a result of standard recruitment and selection procedures.

5. Actions Arising from Findings

5.1 As the negative percentage figure reported for median pay is unusual further work should be undertaken to understand the factors that have influenced the reported figure. For example, are there any particular areas of lower paid work predominantly undertaken by males, which will assist us in understanding the result of the analysis.

5.2 Further analysis should also be undertaken to assist our understanding of the factors which have influenced the mean and median bonus pay gap.

5.3 Although some initial work can be undertaken on the above actions, it will also be helpful to have the findings of the 2018 gender pay gap analysis for comparison purpose, and therefore work will not be completed until the 2018/19 year.

6. Conclusions

The findings demonstrate a positive overall position with regards to gender pay within the Borough Council. However, this is the first time that the data has been analysed in this way and therefore data from the 2018 analysis will need to be considered for comparison purposes before any firm conclusions can be made.

Since the snapshot date the Borough Council has adopted an updated Equality Policy. This policy was developed during 2017 and has received formal approval in January 2018.
The updated Equality Policy includes a commitment to complying with the gender pay regulations but also to wider employment monitoring to demonstrate that the organisation is committed not only to the legal obligations placed upon it by legislation but also to the positive promotion of equal opportunities in all aspects of employment. With this in mind, Alive Management Limited will ensure that all its employment policies, procedures, guidelines and practices reflect and reinforce its commitment to equality.
Appendix 1

Definition of the Six Pay Metrics

The regulations require a relevant employer to publish six ‘pay metrics’:

1. **Mean gender pay gap** – the difference between the mean hour rate of pay of male full-pay relevant employees and that of female full-pay relevant employees, expressed as a percentage of the male mean.

2. **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, expressed as a percentage of the male median.

3. **Mean gender bonus pay gap** – the difference between the mean bonus pay paid to male relevant employees and that of female relevant employees, expressed as a percentage of the male mean.

4. **Mean gender bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees, expressed as a percentage of the male median.

5. Proportion of male and female relevant employees who received bonus pay – comparing metrics 4 and 5 will indicate who much more likely it is for male/female employees to receive bonus payments.

6. Proportion of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands (NB. The quartile bands are calculated by dividing the workforce into four equal parts, not, for example, using an organisation’s pay grades.)
Appendix 2

**Detailed Pay Data**
Salary information based on snapshot date of 31st March 2017
Bonus information based on 12 months up to and including snapshot date.

<table>
<thead>
<tr>
<th>Gender Pay Gap</th>
<th>Mean Gross Hourly Pay</th>
<th>Median Gross Hourly Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>£13.40</td>
<td>£11.25</td>
</tr>
<tr>
<td>Females</td>
<td>£12.82</td>
<td>£11.67</td>
</tr>
<tr>
<td>% Difference</td>
<td>4.30%</td>
<td>-3.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender Bonus Pay Gap</th>
<th>Mean Gross Bonus Pay</th>
<th>Median Gross Bonus Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>£226.16</td>
<td>£202.59</td>
</tr>
<tr>
<td>Females</td>
<td>£153.41</td>
<td>£136.93</td>
</tr>
<tr>
<td>% Difference</td>
<td>32.2%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

**Proportion of Employees Paid Bonus Pay**

<table>
<thead>
<tr>
<th></th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.7%</td>
<td>12.17%</td>
</tr>
</tbody>
</table>

**Quartile Data**

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower</td>
<td>70 (56.0%)</td>
<td>55 (44.0%)</td>
<td>125</td>
</tr>
<tr>
<td>Middle Lower</td>
<td>54 (43.2%)</td>
<td>71 (56.8%)</td>
<td>125</td>
</tr>
<tr>
<td>Middle Upper</td>
<td>47 (37.64%)</td>
<td>78 (62.4%)</td>
<td>125</td>
</tr>
<tr>
<td>Upper</td>
<td>66 (52.8%)</td>
<td>59 (47.2%)</td>
<td>125</td>
</tr>
<tr>
<td>Total</td>
<td>237 (47.4%)</td>
<td>263 (52.6%)</td>
<td>500</td>
</tr>
</tbody>
</table>