

CABINET MEETING – 8 June 2023

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Gender Pay Gap Reporting

Author(s):

Report of the Director of Smart Cities and Enabling Services

Purpose of Report:

To present the Gender Pay Gap Reports for 2022 for the Council, Sunderland Care and Support Limited and Together for Children Sunderland Limited

Description of Decision:

To endorse publication of the Gender Pay Gap Reports for 2022

Is the decision consistent with the Budget/Policy Framework? *Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

There is a statutory responsibility to report and publish the gender pay gap each year.

Alternative options to be considered and recommended to be rejected:

There is no alternative option as it is a statutory requirement to report and publish the gender pay gap each year.

Impacts analysed;

Equality

N/A

Privacy

N/A

Sustainability

N/A

Crime and Disorder

N/A

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? No

Is it included in the 28 day Notice of Decisions? No

GENDER PAY GAP REPORTING

REPORT OF THE DIRECTOR OF SMART CITIES AND ENABLING SERVICES

1. Purpose of the report

- 1.1 This report presents the Gender Pay Gap Reports for 2022 for the Council, Sunderland Care and Support Limited and Together for Children Sunderland Limited.

2. Description of Decision (Recommendations)

- 2.1 To endorse publication of the Gender Pay Gap reports for 2022.

3. Introduction/Background

- 3.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 ("the Public Regulations") applies to public authorities, which includes the Council. The Regulations introduced requirements for public authorities with 250 or more employees to publish annually certain, specific information about the pay of their male and female employees. Similar obligations apply to private companies under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("the Private Regulations"). There are slightly different requirements on public sector and private sector organisations, although the principles are the same. The Council is a public sector organisation and is covered by the Public Regulations. Sunderland Care and Support Limited and Together for Children Sunderland Limited are considered to be private sector companies for the purposes of this legislation and fall under the Private Regulations. The main difference is in the date on which the data snapshot is taken: 31st March each year for the Council and the 5th April each year for the companies. Organisations must publish their data within a year of the snapshot date. Public sector organisations must publish by 30 March each year and private sector organisations by 4 April each year.
- 3.2 The data that is required to be published must be uploaded to a Government website created for the purpose, (<https://www.gov.uk/government/news/view-gender-pay-gap-information>), and also uploaded on an organisation's own website. The data which is required to be published is:
 - The difference between the mean hourly rate of pay of male employees and female employees;
 - The difference between the median hourly rate of pay of male employees and female employees;
 - The difference between the mean bonus pay paid to male employees and that paid to female employees;

- The difference between the median bonus paid to male employees and that paid to female employees;
- The proportion of males and females receiving a bonus payment in the relevant 12-month period; and
- The proportion of male and female employees in each quartile band.

3.3 The gender pay gap is the difference between the average earnings of all women in an organisation compared to the average earnings of all the men. Having a gender pay gap, as most organisations do, is not unlawful, but rather is a reflection of how in the UK economy, generally speaking, women dominate lower-paid roles such as catering, caring and cleaning jobs and are, generally speaking, under-represented in higher paid jobs. As a result, even in organisations where there is a more even split of men and women in senior jobs, the overall average pay for women is often significantly less. Progress to close the gender pay gap requires wholesale, societal change in occupational gender segregation, stereotypical gender roles and career progression for women.

3.4 The gender pay gap is not the same as an equal pay gap or pay discrimination. The gender pay gap shows the differences in the average pay between men and women. Equal pay is about whether a man and a woman doing the same, (or comparable), job earn the same. Not complying with equal pay legislation, (as set out in the Equality Act 2010), is potentially unlawful. The Council and Sunderland Care and Support Limited implemented a full pay and grading review in 2015-16 to ensure full lawful compliance with equal pay legislation. Together for Children adopted the same arrangements when it came into existence in 2017.

3.5 Whilst gender pay gaps and equal pay gaps are different things, it is possible that one may affect the other by giving increased visibility of any pay differentials which exist within an organisation.

4. Current Position

4.1 The Gender Pay Gap Reports for the Council, (31st March 2022), and Sunderland Care and Support Limited and Together for Children Sunderland Limited, (both 5th April 2022), are attached as Appendices 1 – 3 respectively.

4.2 The Appendices show the mean and median gender pay gaps for the three organisations. There is no requirement to publish collective figures for the 'group', but for ease of reference the figures from the Appendices are highlighted below for 2022, 2021 and 2020:

2022	Council	TfC	SCAS
Median Gap	9.44%	1.75%	1.65%
Mean Gap	7.55%	3.34%	2.42%

2021	Council	TfC	SCAS
Median Gap	11.19%	1.72%	3.37%
Mean Gap	9.22%	3.97%	1.69%

2020	Council	TfC	SCAS
Median Gap	11.75%	0.00%	0.88%
Mean Gap	10.66%	5.09%	1.85%

- 4.3 The data shows that the Council gender pay gap has reduced over the last 3 years. Together for Children and Sunderland Care and Support gender pay gap remains low.

5. Reasons for the Decision

- 5.1 There is a statutory responsibility to report and publish the gender pay gap each year.

6. Alternative Options

- 6.1 There is no alternative option as it is a statutory requirement to report and publish the gender pay gap each year.

7. Other Relevant Considerations / Consultations

(8) **Financial Implications** – There are no direct additional financial implications arising from the Council complying with its statutory requirement to publish the gender pay gap.

(ii) **Legal Implications** – The legislative requirements are set out in paragraph 3.1 above. The required information was published in accordance with the prescribed deadlines.

8. Glossary

- 8.1 **Hourly pay rate** – in the context of the gender pay gap the pay included in hourly pay calculation is basic pay, overtime and allowances i.e. standby and shift allowance in March 2022 for Council employees and April 2022 for SCAS and TfC employees. For casual workers and permanent variable employees', a 12 week period is used. The total pay received is divided by the total hours worked in the period. This gives the employee hourly pay rate.

- 8.2 **Gender pay gap** – measures the difference between men and women's average earnings with the organisation. It does not consider roles or seniority. A positive figure shows that women have lower pay than the men in the organisation. Zero shows that there is equal pay between men and women. A negative figure would show that men have lower pay than women.

8.3 **Median gap** – shows the middle point in the range of hourly pay arranged in order. This is calculated by:

- Sorting all male employees in order of their hourly pay. The man in the middle is the median hourly pay for men
- The same process is followed for all female employees to give the median hourly pay for women
- The median hourly pay for women is subtracted from the median hourly pay for men and multiplied by 100
- This gives the median gender pay gap in hourly pay as a percentage of men's pay.

8.4 **Mean gap** - is the average gap for hourly pay. This is calculated by:

- adding together the hourly pay of all male employees and dividing by the number of male employees. This gives the mean (average) hourly pay for men
- The same calculation is completed for all female employees
- The mean (average) hourly pay for women is then subtracted from the mean (average) hourly pay for men
- The result is divided by the mean (average) hourly pay for men and multiplied by 100
- This gives the mean (average) pay gap in hourly pay as a percentage of men's pay.

8.5 **Quartile** – all employees hourly pay is sorted from highest to lowest. This is then divided into quarters with an equal number of employees in each section. The quarters shown in the info graphics are:

- Highest – upper hourly pay quarter
- Quartile 2 – upper middle hourly pay quarter
- Quartile 3 – lower middle hourly pay quarter
- Lowest – lower hourly pay quarter

9. **List of Appendices**

9.1 Appendix 1 Sunderland City Council Gender Pay Gap – 31 March 2022

9.2 Appendix 2 Together for Children Gender Pay Gap – 5 April 2022

9.3 Appendix 3 Sunderland Care and Support Gender Pay Gap – 5 April 2022

Appendix 1

Sunderland City Council Gender Pay Gap – 31 March 2022

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced requirements for organisation with more than 250 employees to publish annually certain, specific information about the pay of their male and female employees. There are slightly different requirements on public sector and private sector organisations, although the principles are the same. The Council is a public sector organisation, so the date on which the data snapshot is taken is 31st March 2022.

Sunderland City Council's Gender Pay Gap

There were 2810 employees on the snapshot date of 31 March 2022. The gender pay gap analysis is based on headcount which showed 1652 female employees and 1158 male employees.

The Council operates a graded salary structure of incremental salary scales with a range of spinal column points (pay points), using the nationally negotiated pay spines as the basis for its local pay structures, together with some locally determined rates. The Council does not operate a bonus scheme.

Comparison of mean pay in the Council shows a gap in favour of men

Mean

Overall	Hourly Rate Total	Emp Nos	Mean	%Gap
Overall	41250.34	2810	14.68	7.55
Female	23461.74	1652	14.20	
Male	17788.60	1158	15.36	

Comparison of median hourly rate of pay in the Council:

Median

Median	Female	Male	%Gap
Overall	£11.70	£12.92	9.44

Pay by quartiles: hourly pay quartiles

Quartile	Highest Hourly Rate	Lowest Hourly Rate
1	£100.80	£16.70
2	£16.67	£12.92
3	£12.92	£10.39
4	£10.39	£4.73

77% of people in the lower pay quartile are women. This quartile of the workforce is dominated by 3 types of job which are predominantly occupied by women:

Role types in the lower quartile	F (%)	M (%)	F (No.)	M (No.)	Total No.
Business Administration	78.4	21.6	29	8	37
Catering	99.4	0.6	173	1	174
Cleaning	90.6	9.4	231	24	255
All other role types in the lower quartile	45.7	54.3	101	120	221
Totals	77.7	22.3	534	153	687

Work on eradicating the Gender Pay Gap

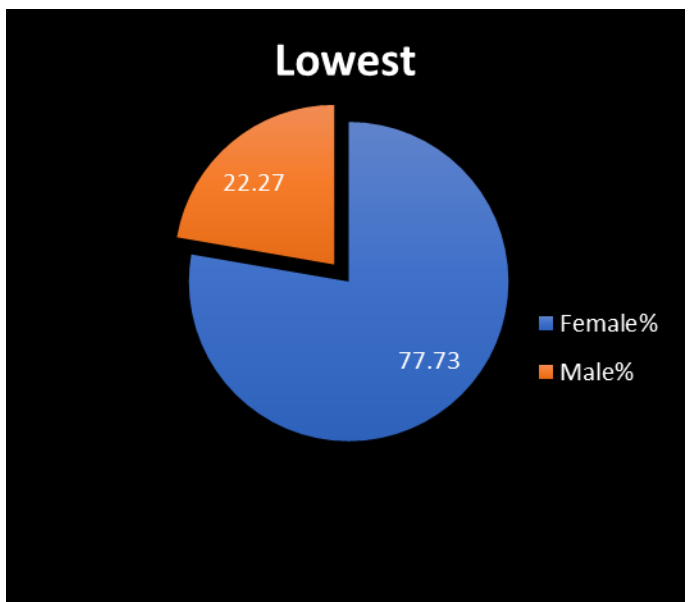
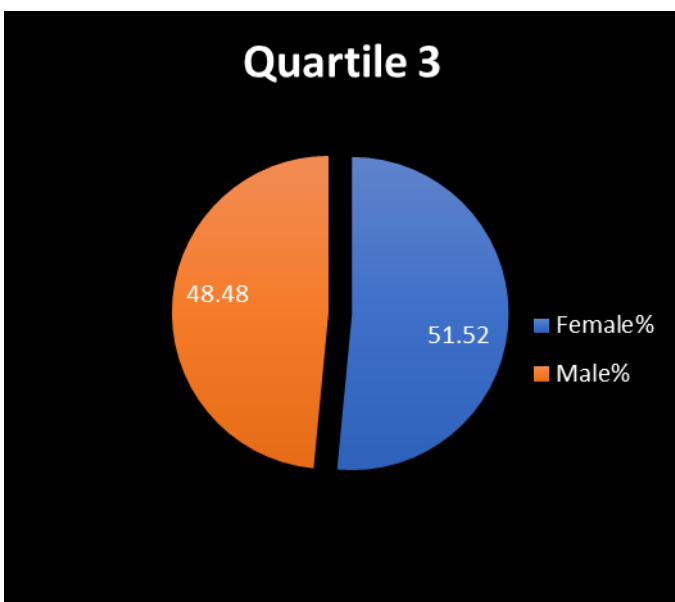
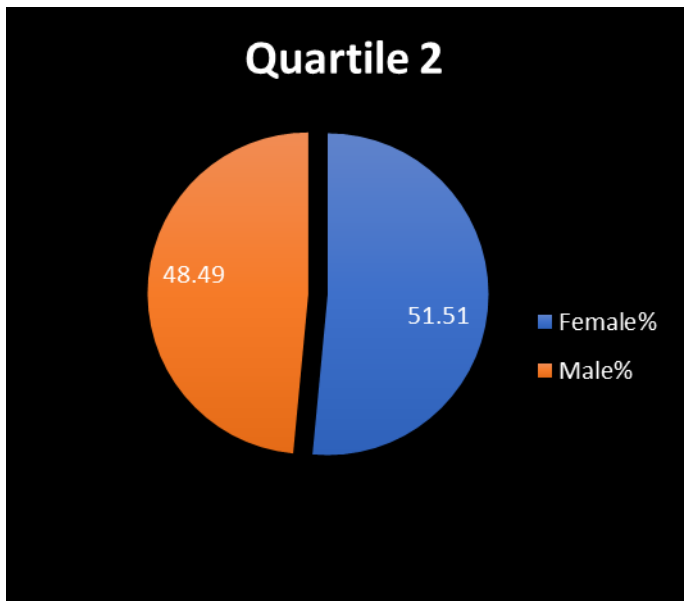
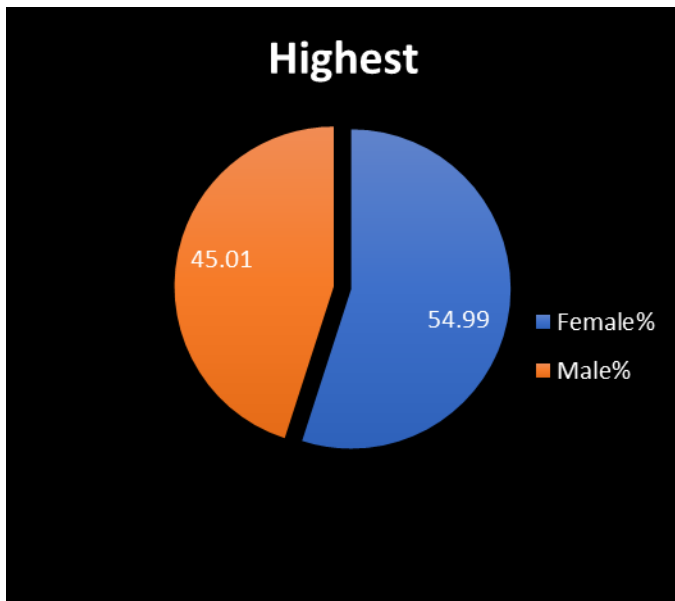
The council's workforce is predominantly female; even in the highest paid quartile 55% of employees are female, showing that there are strong career progression opportunities for women. The mean gender pay gap has reduced from 11.75% in 2020, to 11.19% in 2021 to 9.44% in 2022. However, the mean gender pay gap of 9.44% in 2022 shows that further progress is needed in this.

Measures which are being used include:

- Support for women returning to work – through shared parental leave, job sharing, compressed hours, part-time, and term-time opportunities alongside new modernised agile working practices established across the Council.
- Encouraging all the workforce to take advantage of the flexible and agile working arrangements in place to enable them to fulfil their caring responsibilities.
- Continuous improvements for the recruitment process: the Council has modernised recruitment procedures and practices eliminating potential for unconscious bias.
- Consultation and engagement with the workforce through taking forward actions from the Council's Employee Survey.

Gender Pay Gap info-graphic

This illustrates the gender distribution across four equally sized quartiles, each containing approximately 700 employees.



Together for Children Gender Pay Gap – 5 April 2022

The Equality Act 2010 Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 introduced requirements for companies with more than 250 employees to publish annually certain, specific information about the pay of their male and female employees. The date on which the data snapshot is taken is 5 April.

Together for Children's Gender Pay Gap

There were 891 employees working on the snapshot date of 5 April 2022. The gender pay gap analysis is based on headcount which showed 742 female employees and 149 male employees.

The Company operates a graded salary structure of incremental salary scales with a range of spinal column points (pay points), using the nationally negotiated pay spines as the basis for its local pay structures, together with some locally determined rates. The Company does not operate a bonus scheme. Comparison of mean pay in the Company shows a gap in favour of men.

Overall Mean 2022	Hourly Rate Total	Emp Nos	Mean	%Gap
Overall	£16067.48	891	£18.03	3.34
Female	£13303.58	742	£17.93	
Male	£2763.90	149	£18.55	
Overall Mean 2021				
Overall	£15287.31	857	£17.84	3.97
Female	£12484.29	705	£17.71	
Male	£2803.02	152	£18.44	

Comparison of median hourly rate of pay in the Company shows a gap in favour of men.

Median 2022	Female	Male	%Gap
Overall	£16.24	£16.53	1.75
Median 2021	Female	Male	%Gap
Overall	£15.97	£16.25	1.72

Pay by quartiles: hourly pay quartiles

Quartile	Highest Hourly Rate	Lowest Hourly Rate
1	£56.96	£22.10
2	£22.10	£16.24
3	£16.24	£13.44
4	£13.44	£9.73

90% of people in the lower pay quartile are women.

Work on eradicating the Gender Pay Gap –

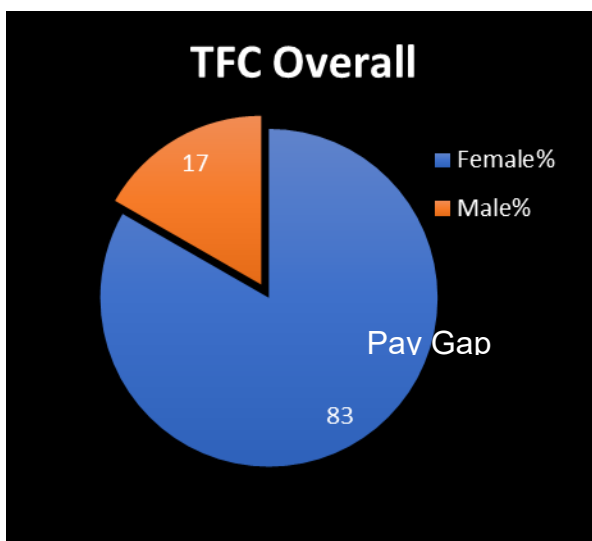
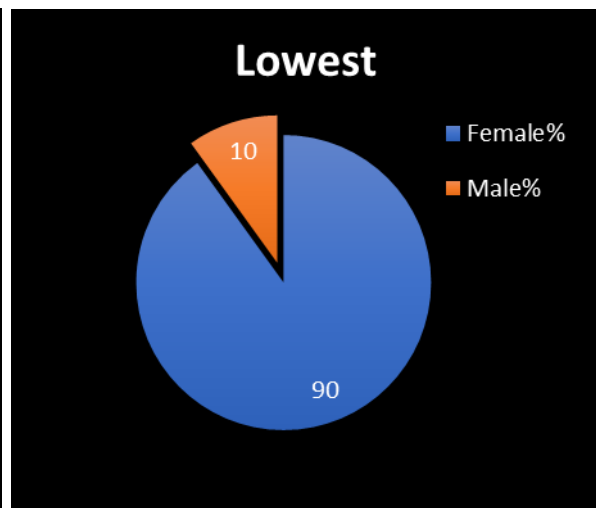
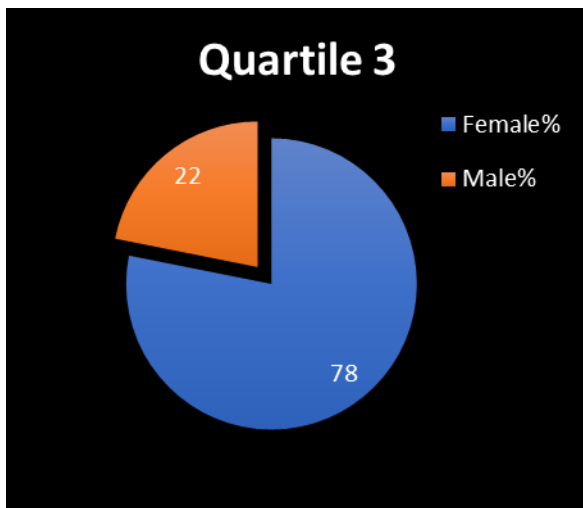
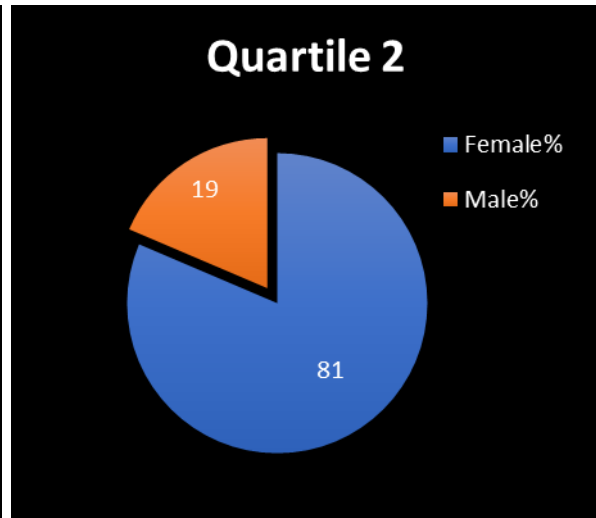
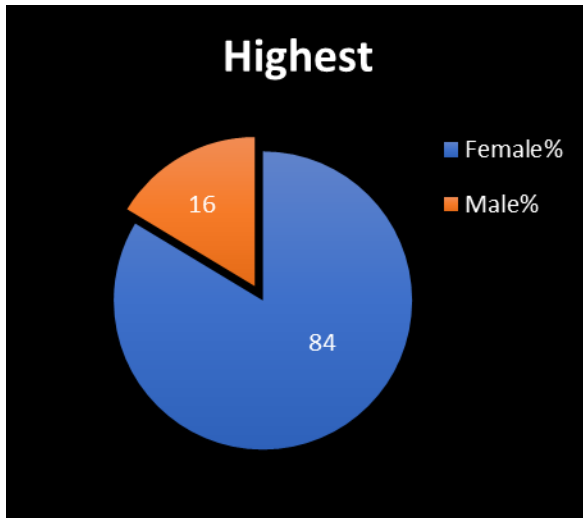
The Company workforce is predominantly female; even in the highest paid quartile 84% of employees are female, showing that there are strong career progression opportunities for women.

Measures which are being used include:

- Support for women returning to work – through shared parental leave, job sharing, compressed hours, part-time, and term-time opportunities alongside new modernised agile working practices established across the Company.
- Encouraging all the TfC workforce to take advantage of the flexible and agile working arrangements in place to enable them to fulfil their caring responsibilities.
- Continuous improvements for the recruitment process: the Company has modernised recruitment procedures and practices eliminating potential for unconscious bias.
- TfC has established an Equity and Diversity network and forum in order to promote and ensure inclusivity across the workforce

Gender Pay Gap info-graphic

This illustrates the gender distribution across four equally sized quartiles, each containing approximately 220 employees.



Sunderland Care and Support Gender Pay Gap – 5 April 2022

The Equality Act 2010 Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 introduced requirements for companies with more than 250 employees to publish annually certain, specific information about the pay of their male and female employees. The date on which the data snapshot is taken is 5 April.

Sunderland Care and Support Gender Pay Gap

There were 2076 employees working on the snapshot date of 5 April 2022. The gender pay gap analysis is based on headcount which showed 1636 female employees and 440 male employees.

The Company operates a graded salary structure of incremental salary scales with a range of spinal column points (pay points), using the nationally negotiated pay spines as the basis for its local pay structures, together with some locally determined rates. The Company does not operate a bonus scheme. Comparison of mean pay in the Company shows a gap in favour of men.

Mean

Overall	Hourly Rate Total	Emp Nos	Mean	%Gap
Overall	£23781.96	2076	£11.46	2.42
Female	£18643.67	1636	£11.40	
Male	£5138.29	440	£11.68	

Comparison of median hourly rate of pay in the Company shows a difference of 1.65% in favour of men.

Median	Female	Male	%Gap
Overall	£10.73	£10.91	1.65

Pay by quartiles: hourly pay quartiles

Quartile	Highest Hourly Rate	Lowest Hourly Rate
1	£28.44	£12.17
2	£12.17	£10.76
3	£10.75	£10.39
4	£10.39	£5.89

80% of people in the lower pay quartile are women.

Work on eradicating the Gender Pay Gap

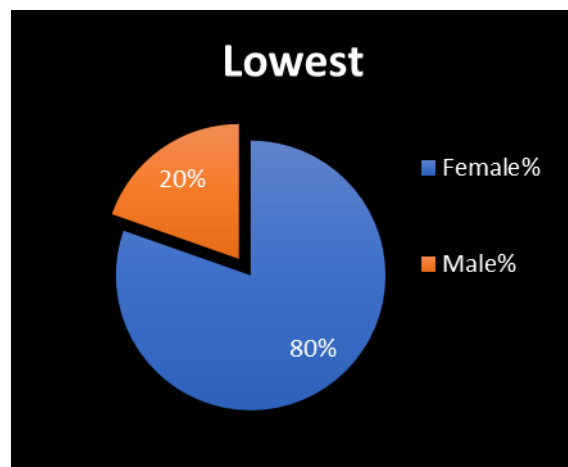
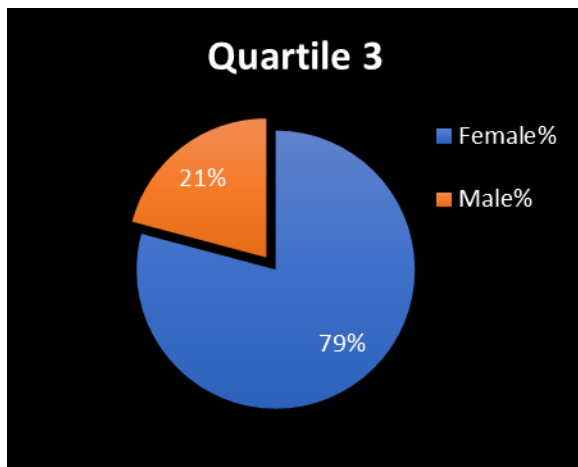
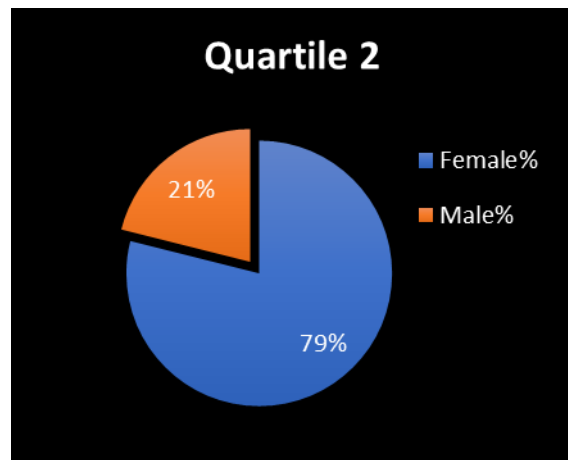
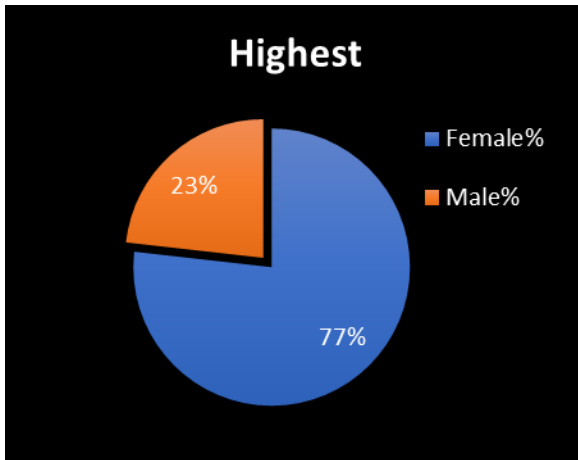
SCAS will continue to reduce the pay gap through:

- Support for women returning to work – through shared parental leave, and a range of flexible working options including job sharing, compressed hours and part-time opportunities.

- Encouraging men to take advantage of arrangements which enable them to fulfil their caring responsibilities, such as shared parental leave, and a range of flexible working options including part time working and compressed hours.
- Continuous improvements in our recruitment process: the company use an anonymised application process to reduce the potential for unconscious bias and ensure that all interviewers have undergone training.
- Focus on gender equality: The Company will ensure gender equality is a central part of the company's Equality objectives.

Gender Pay Gap info-graphic

This illustrates the gender distribution across four equally sized quartiles, each containing approximately 500 employees.



Overall workforce profile breakdown

