



## Introduction

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require all public employers with 250 or more employees to report their Gender Pay Gap annually based on a 'snapshot' date. The 'snapshot' date for the public sector is 31st March each year, and figures must be published within a year of this date.

Therefore, the authority is required to publish its gender pay gap for each year on the North East Lincolnshire Council (NELC) website and on the gov.uk website. These figures were published for the first time last year.

The figures and calculations within this report do not include maintained schools or academies within the area, due to being classed as separate entities.

We are required to calculate and publish the following gender pay data:

- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation's pay structure

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 2016, the national gender pay gap for full-time employees was 9.4%, meaning that average pay for full-time female employees was 9.4% lower than for full-time male employees. The gap was down from 17.4% in 1997. The gap for all employees, full and part-time was 18.1% 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.

## Last Year

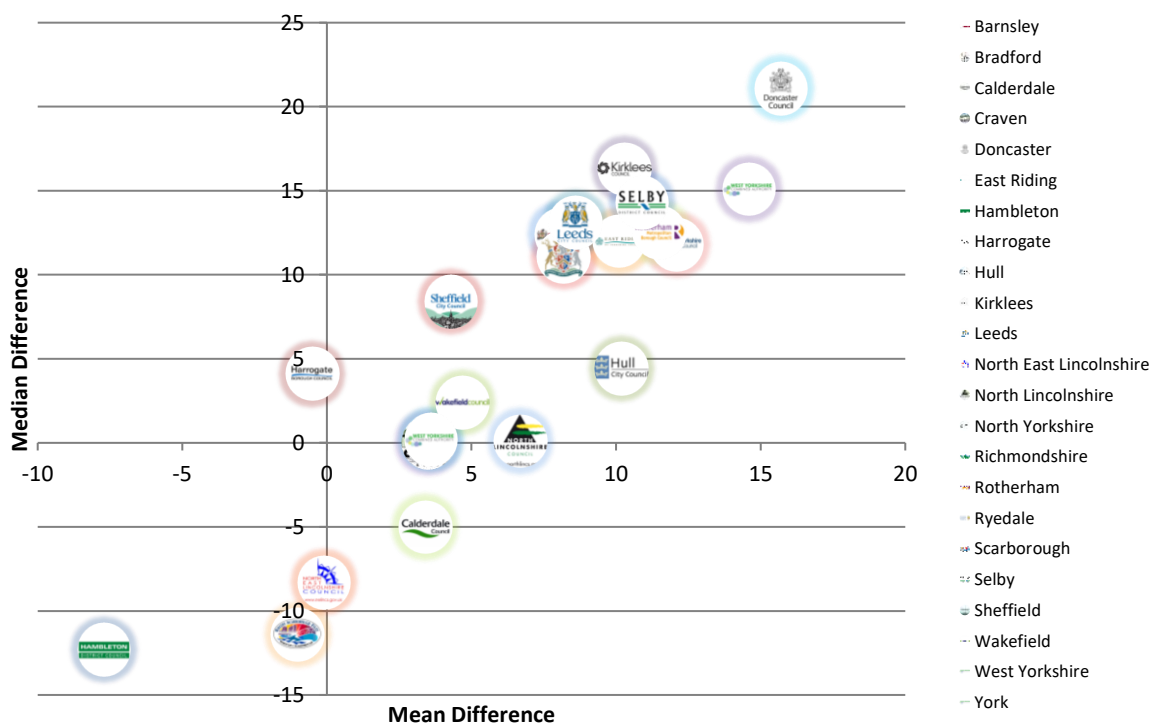
By the end of July 2018, 100% of relevant employers had published their data for the 2017 snapshot date, using this information, it made it possible to review how our figures compared with other organisations last year.

The average hourly rate amongst all submissions is 14.3% higher for males than females, which is a further reduction from the 2016 percentage of 18.1%; however, 86.7% of organisations still had a higher average hourly rate for men. Our percentage last year was 0.1% higher pay for female employees compared to male counterparts in other organisations.

The average median difference was 11.8% higher for males. This is significantly higher than North East Lincolnshire Council, in addition, the average organisation has 60.8% of males in their top quartile, compared to our figure which, in 2017, was just 27%. Although having just 27% of males in the top quartile appears unbalanced, that percentage is similar to the organisation as a whole.

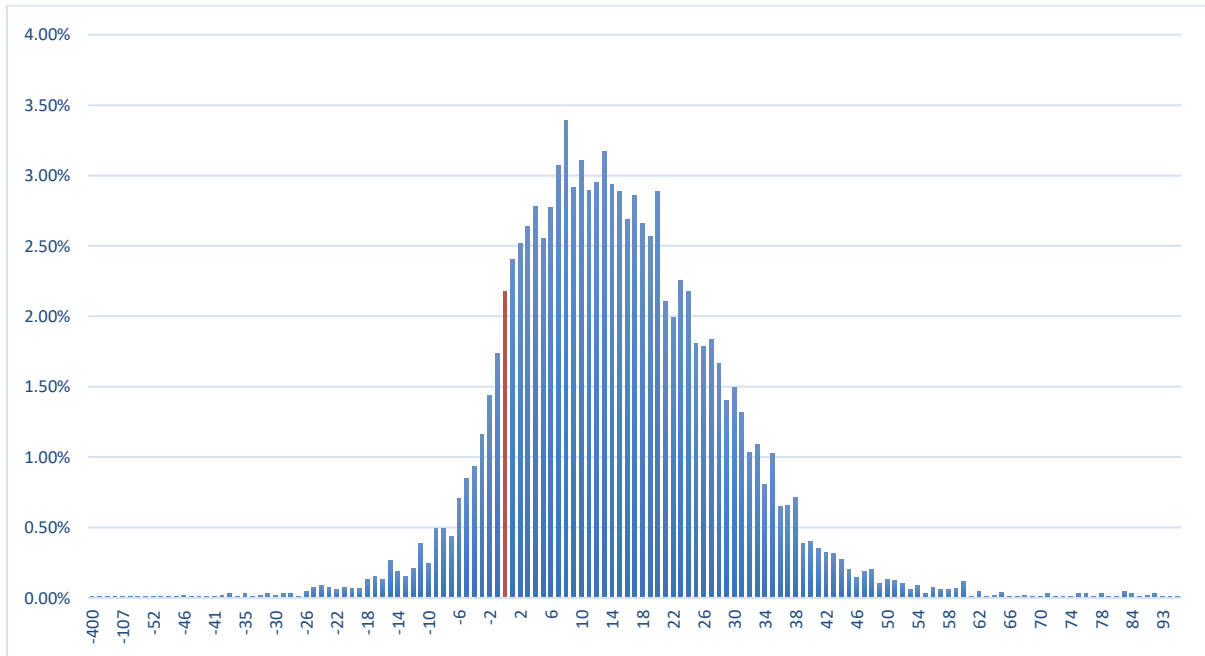
Because our gaps were small, we have not had to look at making any changes to our pay policy or recruitment processes in order to improve our statistics. Our recruitment process is open and unbiased, whereas other organisations are starting to implement policies to avoid all male shortlists, we do not have problems recruiting females to jobs at any level of the organisation.

The graph below shows the averages for different Councils within the Yorkshire and Humber region. Our mean difference was closest to parity; however, our median difference showed a higher average wage for females. The majority of other Councils had higher mean and median pay for males.

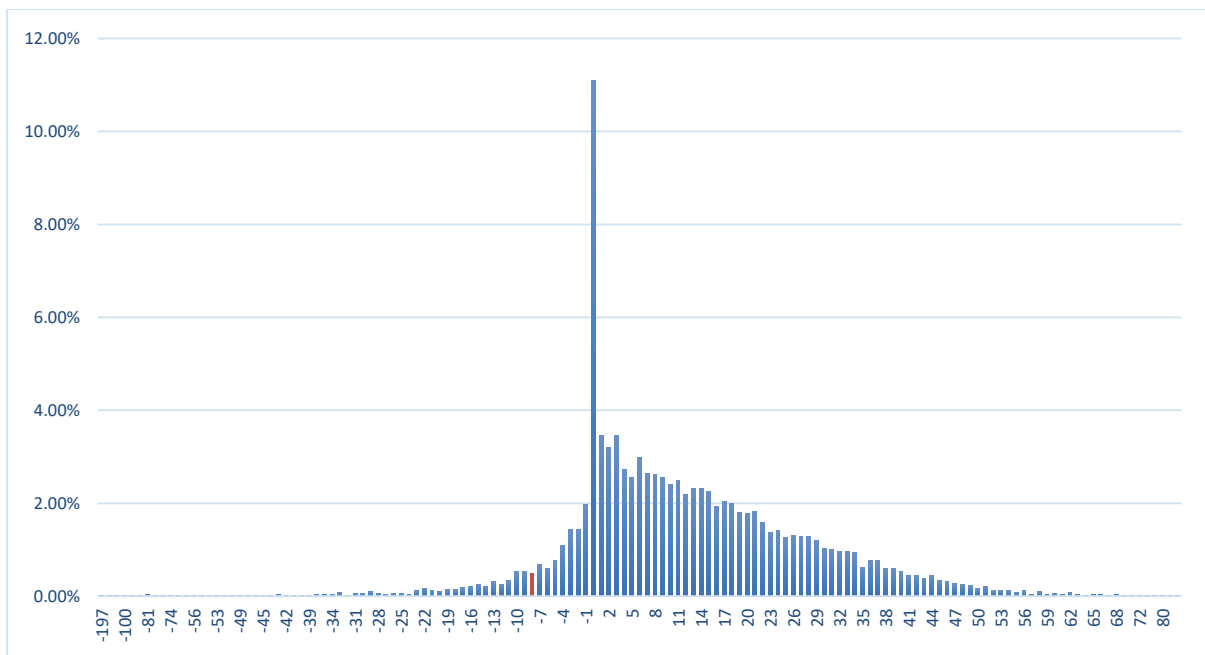


The graphs below show the returns of all organisations in the UK rounded to the nearest figure without decimal places. Of these organisations, we are one of just 2.8% to have a 0% mean average pay gap. As expected, the majority of organisations pay men higher pay rates than women.

The most common mean difference is 8%. Most organisations are between 0 and 20% higher hourly rates for men over women.



Over 11% of organisations have submitted a median pay gap of 0%, our median average was 8% higher for females. There are a lot less organisations with higher median average for females, this is a sign that, across the country overall women are filling more of the lower paid jobs within organisations.

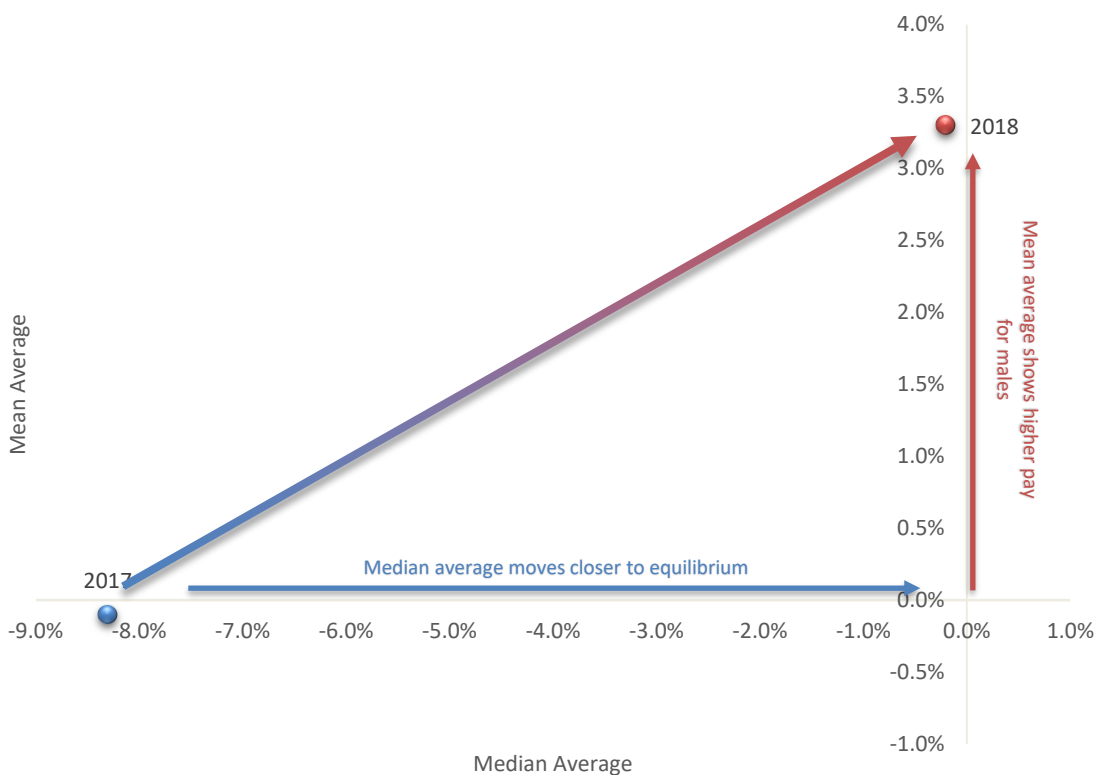


## This year

### Gender pay gap

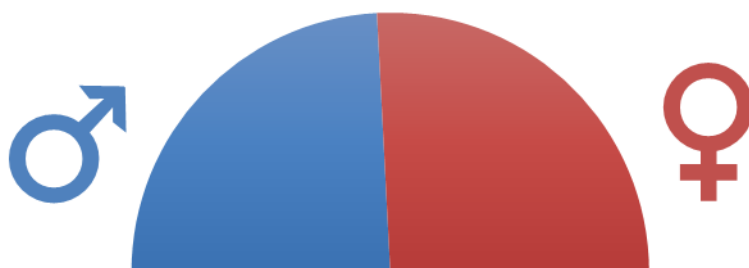
	Mean average	Median Average
<b>Male</b>	£13.96	£11.37
<b>Female</b>	£13.07	£11.35
<b>Difference</b>	<b>3.3%</b>	<b>-0.2%</b>

As an organisation, we use job evaluation to set a salary against each post, rather than against individuals, therefore whether male or female, all employees in the same position would receive the same hourly rate of pay. This explains why our average hourly rate across the organisation is so close.



Since 2017, our mean average has increased; males were paid 3.3% higher than females. The gap between the median averages has closed, and is now just 0.2% higher for women than men. These changes have happened naturally, as we have not made any changes since last year's submission in terms of how we advertise or recruit. The increases in hourly rates are due to the 1% pay award from April 2017, Living Wage increased from £8.25 to £8.45 at the same time; this has meant the lowest paid employees have closed their pay gap on the rest of the organisation.

## Mean Pay Gap



**Male** mean average hourly rate is 3.3%  
higher than **Female**

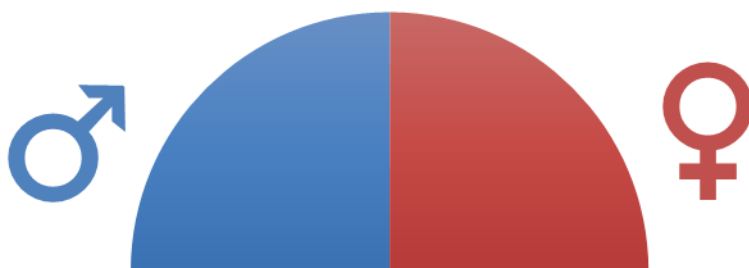
The mean is an average of all hourly rates across the organisation. To calculate the mean hourly rate for NELC's male and female employees, the hourly rates were added together and divided by the total number of full-pay relevant male and female employees. This gave the mean hourly rates. The average hourly rate for all staff, both male and female, was £13.30.

Our findings show on average, a female earns 3.3% less per hour than their male counterparts within the organisation. A change since last year would be the Chief Executive's pay increase, in relation to his appointment to Joint Chief Executive for NELC and NELCCG, as noted in the Pay Policy Statement available on the NELC website.

This year, there was also an additional medical referee, a mandatory post, which has a fixed charge per appointment. Based on time taken for their appointments, we have calculated an hourly rate of £111. We have three people employed in this post, all of which are male. This increases the mean average for males by 60p per hour across the whole organisation.

The average pay gap between men and women across the UK in 2017 was 11.5%. Within Local Government the average gap was 6.6%, North East Lincolnshire Council are still below the national average.

## Median Pay Gap



**Male** median average hourly rate is 0.2%  
lower than **Female**

The median is the numerical value that splits the top 50% and the bottom 50%. To find the median, all the hourly rates for male and female staff were listed in numerical order and the hourly rate in the middle of each list is the median average.

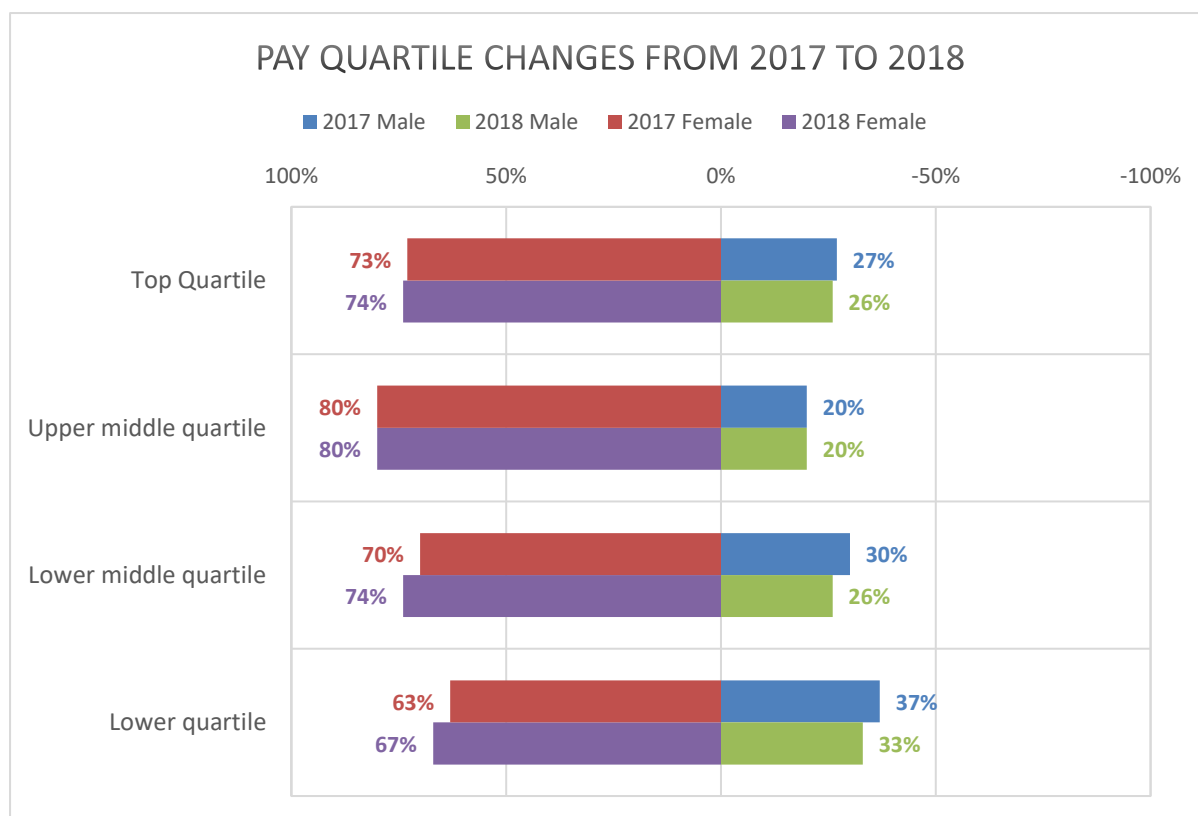
Last year our median pay gap showed we paid females 8.3% more than males, this year the gap has closed to 0.2%. This indicates either an increase in the number of males, or a reduction of females in the lower half of earnings.

## Quartile pay

	Female	Male
<b>Top quartile</b>	74%	26%
<b>Upper middle quartile</b>	80%	20%
<b>Lower middle quartile</b>	74%	26%
<b>Lower quartile</b>	67%	33%
<b>Grand Total</b>	<b>73%</b>	<b>27%</b>

As an employer, we elect to pay the Foundation Living Wage, which was £8.45 per hour on the snapshot date, to employees aligned to Job Evaluation Grade 11 or lower. This means any employees in the lower pay quartile all receive a minimum hourly rate of £8.45, with the exception of apprentices, and those on our graduate schemes.

The top quartile is similar to the organisation as a whole, as is the lower middle quartile. The upper middle is more female heavy, whilst the lower quartile is male dominated.



The main changes since last year are among the lower, and lower middle quartiles, where the gap between men and women has increased by 8% in each. This could be due to a reduction in male staff in the lower paid jobs, or an increase in the number of women appointed to these roles. There has also been a 2% swing in female numbers in the top quartile.

## Bonus pay

	Percentage staff to receive bonus
Male	0.2%
Female	0.1%

## Mean average

The mean average calculation is: divide the total bonuses by the total number male and female employees. As the workforce is predominantly female, this means a larger number is used when dividing the bonuses, making the average smaller. Men are paid on average 77.6% more in bonuses than women are, this is due to the way mean averages are calculated.

## Median Average

The median average is calculated by listing all bonuses paid, and selecting the middle value.

In 2017-18, there were just two staff who received a bonus payment. This was a trial period of performance related pay, and following a review of the process, will not be continuing following the cessation of the trial period. The male bonus was 38.7% higher; this was due to hitting more benchmarks set during the trial period than the female.

## Conclusion

Compared to last year our mean average has moved towards higher male earnings, however the median has closed to 0%. We have not made any changes to the way we manage the pay gap since last year, we have kept recruitment open and unbiased, and pay rates continue to be based on the posts, rather than individuals.

Despite the increase in the mean average to 3%, the gap is still smaller than other Local Government organisations within the Yorkshire and Humber region. The median difference had also moved closer to parity, meaning the organisation has similar numbers of men and women in both lower, and higher, paid roles.

As with last year, these results show that we should not need to make any major changes to our internal processes.



## Further information

More details of NELC pay policies, senior management and organisational structure can be found using the link below:

<https://www.nelincs.gov.uk/council-information-partnerships/council-workforce>

Further information on Gender Pay Gap Reporting is available on the gov.uk website using the link below:

<https://www.gov.uk/government/news/view-gender-pay-gap-information>

Details of other published organisations are available on the Gov.uk website using the link below:

<https://gender-pay-gap.service.gov.uk/Viewing/search-results>

Background Information	
<b>Document purpose</b>	Workforce statistics
<b>Author</b>	Tom Clay, Human Resources
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<b>Subject</b>	HR Strategy
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