

# Gender Pay Gap Report for 2017

## Scope

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on the 6<sup>th</sup> April 2017.

Employers are required to comply with the regulations for any year where they have a “headcount” of more than 250 employees on the set “snapshot date”.

For DDC OS the standard Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 are applicable and our defined snapshot date is the 5<sup>th</sup> April 2017.

## Employee Definition

For the purpose of gender pay gap reporting, the definition of who counts as an employee is defined in the Equality Act 2010; this is known as an extended definition and includes:

- Employees (those with a contract of employment)
- Workers and agency workers (those with a contract to do work or provide services).
- Some self-employed people (where they personally perform the work).

## Reporting

We are obliged to calculate the following information:

- Our mean gender pay gap
- Our median gender pay gap
- Our mean bonus gender pay gap
- Our median bonus gender pay gap
- The proportion of our male and females receiving a bonus payment
- The proportion of males and females in each quartile pay band
- A written statement, authorised by an appropriate senior person, which confirms that accuracy of their calculations.

This information must be published on both our website and on a designated government website for at least three years.

It is a legal requirement for all relevant employers to publish their gender pay report; failing to do this is unlawful and the Equality and Human Rights Commission has the power to enforce any failure to comply with the regulations.

## The Calculations

The calculations make use of two types of averages:

- A mean average involves adding up all of the numbers and dividing by how many numbers were on the list.
- A median average involves listing all of the numbers in numerical order. If there is an odd number of results the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

Using these two different types of average is helpful to give a more balanced overview of an employer's overall gender pay gap:

- Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but very large or small pay rates or bonuses can 'dominate' and distort the answer. For example, mean averages can be useful where most employees in an organisation receive a bonus but could be less useful in an organisation where the vast majority of bonus pay is received by a small number of board members.
- Median averages are useful to indicate what the 'typical' situation is i.e. in the middle of an organisation and are not distorted by very large or small pay rates or bonuses. However, this means that not all gender pay gap issues will be picked up. For example, a median average might show a better indication of the 'middle of the road' pay gap in a sports club with a mean average distorted by very highly paid players and board members, but it could also fail to pick up as effectively where the pay gap issues are most pronounced in the lowest paid or highest paid employees.

For the results of the first four calculations:

- A positive percentage figure (which almost all organisations are likely to have) reveals that typically or overall, female employees have lower pay or bonuses than male employees.
- A negative percentage figure (which some organisations may have) reveals that typically or overall, male employees have lower pay or bonuses than female employees.

- A zero percentage figure (which is highly unlikely, but could exist for a median pay gap where a lot of employees are concentrated in the same pay grade) would reveal no gap between the pay or bonuses of typical male and female employees or completely equal pay or bonuses

## The Results

In the pay period that included the “snapshot” date of the 5<sup>th</sup> April 2017 we had 272 employees. These were broken down as 168 female employees (including those who identified themselves a female gender) and 104 male employees.

### Mean Gender Pay Gap

This calculation requires us to show the difference between the mean hourly rate of pay that male and female relevant employees receive.

The prescribed calculation is:

$$(A-B) / A \times 100$$

- A is the mean hourly rate of pay of all male full-pay relevant employees.
  - **This is £15.71**
- B is the mean hourly rate of pay of all female full-pay relevant employees.
  - **This is £9.88**
- The result is expressed as a percentage.

$$(\pounds 15.71 - \pounds 9.88) / \pounds 15.71 \times 100 = 38.0\%$$

Therefore, our Gender Pay Gap is recorded as **38%**.

### Median Gender Pay Gap

This calculation requires us to show the difference between the median hourly rate of pay that male and female full-pay relevant employees receive.

The calculation is:

$$(A-B) / A \times 100$$

- A is the median hourly rate of pay of all male full-pay relevant employees;
  - **This is £7.58**
- B is the median hourly rate of pay of all female full-pay relevant employees.

- This is £7.55
- The result is expressed as a percentage

$$(\pounds 7.58 - \pounds 7.55) / \pounds 7.58 \times 100 = 0.4\%$$

Therefore, our median gender pay gap is recorded as **0.4%**

### Mean Bonus Gender Pay Gap

This calculation requires us to show the difference between the mean bonus pay that male and female relevant employees receive.

$$(A-B) / A \times 100$$

- A is the mean bonus pay of all male relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date.
  - This is **£9,184.80**
- B is the mean bonus pay of all female relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date.
  - This is **£4,693.02**
- Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot date are not included.
- The result is expressed as a percentage.

$$(\pounds 9,184.80 - \pounds 4,693.02) / \pounds 9,184.80 \times 100 = 48.9\%$$

Therefore, our mean bonus gender pay gap is **48.9%**

### Median Bonus Gender Pay Gap

This calculation requires us to show the difference between the median bonus pay that male and female relevant employees receive.

The calculation is:

$$(A-B) / A \times 100$$

- A is the median bonus pay of all male relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date.
  - This is **£2,600.00**
- B is the median bonus pay of all female relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date.

- This is **£2,159.09**
- Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot date are not included.
- The result is expressed as a percentage

$$(\pounds2600.00 - \pounds2159.09)/\pounds2600 \times 100 = 16.9\%$$

Therefore, our median bonus pay gap is **16.9%**

### The Proportion of Male and Females Receiving a Bonus Payment

These two calculations require us to show the proportion of male relevant employees who were paid any amount of bonus pay, and the proportion of female relevant employees who were paid any amount of bonus pay.

The first part of the calculation is:

$$A / B \times 100$$

- A is the number of male relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date. This is **29**
- B is the number of male relevant employees. This is **96**

$$(29/96) \times 100 = \mathbf{30.25\%}$$

The second part to the calculation is:

$$C / D \times 100$$

- C is the number of female relevant employees who were paid bonus pay during the 12-month period ending with the snapshot date. This is **27**
- D is the number of female relevant employees. This is **165**

$$(27/165) \times 100 = \mathbf{16.36\%}$$

Comparing these two results will indicate how much more likely male relevant employees are to receive any amount of bonus payment compared to female relevant employees (and vice versa).

## The Proportion of Males and Females in Each Quartile Pay Band

This calculation requires us to show the proportions of male and female full-pay relevant employees in four quartile pay bands, which is done by dividing our workforce into four equal parts.

The first calculation is:

$$A / C \times 100$$

The second calculation is:

$$B / C \times 100$$

- A is the number of male full-pay relevant employees in the quartile
- B is the number of female full-pay relevant employees in the quartile
- C is the total number of employees in the quartile

Comparing these two results will indicate the distribution of full-pay relevant male and female employees in the quartile. Comparing results between the quartiles will indicate the distribution of full-pay relevant male and female employees across the organisation.

### Quartile 1:

There are 17 male employees in Quartile 1

There are 51 female employees in Quartile 2

$$(17 / 68) \times 100 = 25\% \text{ are male}$$

$$(51 / 68) \times 100 = 75\% \text{ are female}$$

### Quartile 2:

There are 29 male employees in Quartile 1

There are 39 female employees in Quartile 2

$$(29 / 68) \times 100 = 42.6\% \text{ are male}$$

$$(39 / 68) \times 100 = 57.4\% \text{ are female}$$

### Quartile 3:

There are 25 male employees in Quartile 1

There are 43 female employees in Quartile 2

$(25 / 68) \times 100 = 36.8\%$  are male

$(43 / 68) \times 100 = 63.2\%$  are female

#### Quartile 4:

There are 38 male employees in Quartile 1

There are 30 female employees in Quartile 2

$(38 / 68) \times 100 = 55.9\%$  are male

$(30 / 68) \times 100 = 44.1\%$  are female