

EMPLOYMENT MATTERS COMMITTEE

14 JUNE 2017

GENDER PAY GAP

Report from: Carrie Mckenzie, Chief People Officer

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Summary:

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires all employers with more than 250 employees to report annually on their Gender Pay Gap. This report gives further detail to the Committee on the statutory requirements of the legislation and how the Council intends to fulfill its statutory duty.

1. Budget and Policy Framework

1.1 Whilst there is no specific decision to be made based on this report, it is important that the Committee is aware of the Council's statutory reporting requirements and the arrangements that the Council are implementing to comply with those requirements.

2. Background

2.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires all employers with more than 250 employees to report annually on their Gender Pay Gap.

2.2 Requirements of the new legislation

2.2.1 The Regulations require Public Authorities to assess their respective Pay Gap as at 31 March each year and to publish these results no later than 30 March the following year

2.2.2 The report will include an assessment on a number of key metrics, they are:

- the mean and median hourly gender pay gap;
- the mean and median gender bonus gap;
- the proportion of men and women receiving a bonus; and

- the proportion of men and women in each of four pay quartile bands (as determined by the results from the individual reporting employer).

2.2.3 While not a statutory requirement, the Government are encouraging employers to provide a commentary on their results, to include how they compare with other organisations, what factors have influenced the outcome, and what actions have been agreed by the employer to “close any gap”.

2.2.4 The report must be accompanied by a written statement vouching for its accuracy and this statement must be signed by a director or someone of equivalent seniority. The report and accompanying statement must be published on the employer’s public web-site and the report must be available on that website for three years. In addition, the information must be provided to the Government via a designated web-site.

2.3 Other detail

2.3.1 The Regulations prescribe which elements of pay are included in the calculation of pay and bonus pay, and they determine the formulas that the employer should follow.

2.3.2 The Regulations prescribe who should be counted in the calculation, as that may include “workers” as well as “employees.”

2.4 Adherence to the statutory duty

2.4.1 The Council’s Corporate Management Team has agreed to the implementation of the following arrangements to meet its statutory responsibilities.

2.4.2 The first Gender Pay Gap report will be presented at the first Employment Matters Committee in 2018 prior to publication on the Council’s external web-site.

2.4.3 The report will be shared with Trade Unions, Employee Forums and the Equality and Access Group.

2.4.4 That the Chief People Officer will act at the Council’s “senior person” in signing the report.

3. Advice and analysis

3.1 The Council is confident that the arrangements that have been put into place will meet its statutory duty to report on its Gender Pay Gap.

3.2 The Council will review in detail the findings in the first report and it will work with its internal stakeholders to address any concerns.

3.3. As this is the first year of the new statutory reporting requirements there is as yet no benchmarking data available; once other public sector bodies have published their respective reports on their web-site the Council will complete a benchmarking exercise.

4. Financial and legal implications

4.1 There are no direct financial or legal implications from this report.

5. Risk Management

5.1 The risk implications arising from this report are detailed below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Failure to comply with the statutory requirement to publish an annual statement. Reputational damage.	There is (as yet) no published sanction in the Regulation. The Explanatory Memorandum reiterates that the Equality and Human Rights Commission is responsible for monitoring how public authorities are complying with the specific duties and can take enforcement action. The failure to publish a statement could lead the Council to be criticised for not taking this matter seriously.	The statement will sit within the Chief People Officer's accountability and appropriate measures will be put into place to ensure compliance.	E4

6. Recommendation

6.1 That the Committee notes the content of this report.

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Background papers:

None

Appendices:

Appendix 1 – Diversity Impact Assessment