

EMPLOYMENT MATTERS COMMITTEE

11 AUGUST 2020

GENDER PAY GAP

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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 provides to the Committee with early insight into the Council's results for this reporting year ahead of sharing the detail with the Trade Unions, employee forums and the newly formed Equality Board. The results will then be published on the Council's public website by 31 March 2021 and on the Government dedicated Gender pay gap reporting website.

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 Gender Pay Gap results as a snapshot early in the year.

2. Background

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

2.1.1 The Regulations require Public Authorities to publish their data.

2.1.2 On 29 January 2020, the Committee agreed that, in future, the Gender Pay Gap Report is brought to the Committee 6 months prior to publication, with a detailed plan of activity to help close the gap for future reporting years.

2.1.3 Due to COVID-19 we have been unable to progress a detailed plan of activity in time for the revised August Board.

Requirements of the new legislation

- 2.2 Qualifying employers are required to take an annual “snapshot” of their total payroll (for the Public Sector that has been set by the Regulations as 31 March), and report 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).
- 2.3 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.
- 2.4 The report and accompanying statement must be published on the employer’s public website 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 website.
- 2.5 Public sector bodies must publish their report no later than 30 March 2021.

Other detail

- 2.6 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.
- 2.7 The Regulations prescribe who should be counted in the calculation, as that may include “workers” as well as “employees.”

Adherence to the statutory duty

- 2.8 The Council’s Corporate Management Team has agreed to the implementation of the following arrangements to meet its statutory responsibilities:
- A final Gender Pay Gap report to be presented at the Employment Matters Committee in January 2021 prior to potential publication on the Council’s external website in March 2021; the report to be shared with Trade Unions, Employee Forums and the Equality Board;
 - The Head of HR to act at the Council’s “senior person” in signing the report.

3. Advice and analysis

- 3.1 The detailed results are shown at Appendix 1.

3.2 An executive summary of the findings is shown below:

- Male colleagues show a 9.93% higher mean hourly rate, however this is a decrease from 2020 of 2.33% (Data Set A1);
- Male colleagues show a 5.11% higher median hourly rate, however this is a decrease from 2020 of 6.87% (Data Set A2);
- There is parity amongst male and female colleagues in the level of mean and median bonus pay (Data Set's B1 and B2);
- Of the total cohort of colleagues who received bonus pay, female colleagues made up 64% of that population (Data Set C);
- Female colleagues form the greater proportion of the two higher pay quartiles, whereby last year there were more females in all pay quartiles. (Data Set D).

3.3 The greater majority of posts within the Council have been assessed using the National Joint Council Job Evaluation Scheme and this is recognised as neutral; the results of each evaluation determines the respective MedPay pay range to which the post is assigned.

3.4 As this is the fourth year of reporting a comparison to previous years is shown at 3.4.1:

3.4.1 Comparator Table

	2018 Report	2019 Report	2020 Report	2021 Report	Variance/Comment
Mean Hourly Rate Gap	8.33%	10.63%	12.26%	9.93%	The Gap has widened from 2018 to 2019 by 2.30%, and then again by 1.63% in 2020. A 3.93% increase overall. However, a snap shot earlier in the year suggests the gap has decreased to 9.93% lower.
Median Hourly Rate Gap	9.40%	10.37%	11.98%	5.11%	The Gap has widened from 2018 to 2019 by 0.97%, and then again by 1.61% in 2020. A 2.58% increase overall. However, a snap shot earlier in the year suggests the gap has decreased to 5.11% lower.
Mean Bonus Pay Gap	Nil	Nil	Nil	Nil	Nil
Median Bonus Pay Gap	Nil	Nil	Nil	Nil	Nil
Proportion of Male/Female colleagues who received bonus pay.	14.3% Male 85.7% Female	37.5% Male 62.5% Female	48% Male 52% Female	36% Male 64% Female	The proportion of females who receive bonus pay continues to exceed male colleagues.

Summary

- 3.5 Both the Mean and Median Hourly Rate gaps widened between the years 2017 to 2019, however there has been a significant drop in 2021. This appears to be due to an increase in the number of women working in the upper pay bands coupled with a decrease in the number of men. There are also proportionately more men working in the lower pay bands than the previous year.

3.6 More salary benchmarking has been undertaken this year. A meaningful comparison against other local authorities could not be undertaken as the requirement to publish data was suspended.

3.6.1 For future updates it is recommended that we continue to bring the Gender Pay Gap report to the Committee 6 months prior to publication.

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
<p>Failure to comply with the statutory requirement to publish an annual statement</p> <p>Reputational damage</p> <p>Recruitment and retention issues</p>	<p>There is no published sanction if the Council's statutory duty is not met.</p> <p>The failure to publish a statement could lead the Council to be criticised for not taking this matter seriously.</p> <p>Failure to take proactive steps could lead to us widening the gap further</p>	<p>The statement will sit within the Head of HR accountability and appropriate measures will be put into place to ensure compliance.</p> <p>A working group needs to be formed to analyse the data regularly throughout the year and to make positive steps to reduce variation. This has been delayed due to COVID-19 but is in flight to be formed for QT3.</p>	<p>E4</p>

6. Recommendation

6.1 The Committee is asked to note the content of this report and agree for a more detailed update in January 2021.

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Appendices

Appendix 1 – Data Table
Appendix 2 – Diversity Impact Assessment

Background papers

None