



## **EMPLOYMENT MATTERS COMMITTEE**

**2 FEBRUARY 2022**

### **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 2022 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.

2.1.4 The Gender Forum, supported by HR are reviewing the position and looking at presenting options to the Equality Board, however due to further COVID-19 recovery work and further winter restrictions, this work has not been defined as a priority in contrast to the other pressing issues facing colleagues across the council, coupled with the slight reduction we are reporting naturally.

## 2.2 Requirements of the new legislation

2.2.1 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).

2.2.2 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.

2.2.3 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.

2.2.4 Public sector bodies must publish their report no later than 31 March 2022.

## 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:

- A final Gender Pay Gap report to be presented at the Employment Matters Committee in February 2022 prior to potential publication on the Council’s external website in March 2022; 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. A diversity impact assessment is set out at Appendix 2.

3.2 An executive summary of the findings is shown below:

- Male colleagues show a 10.58% higher mean hourly rate, this is a increase from 2020 of 0.65% (Data Set A1);
- Male colleagues show a 7.02% higher median hourly rate, this is a increase from 2020 of 1.91% (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 58% of that population (Data Set C);
- Female colleagues form the greater proportion 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 fifth 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	2022 Report	Variance/Comment
Mean Hourly Rate Gap	8.33%	10.63%	12.26%	9.93%	10.58%	The Gap widened from 2018 to 2019 by 2.30%, and then again by 1.63% in 2020. A 3.93% increase overall. The 2021 report showed a solid decrease of 2.33%, however the 2022 report shows a slight increase of 0.65%.
Median Hourly Rate Gap	9.40%	10.37%	11.98%	5.11%	7.02%	The Gap widened from 2018 to 2019 by 0.97%, and then again by 1.61% in 2020. A 2.58% increase overall. The 2021 report showed a significant drop of 6.87% to 5.11%. This has increased slightly in the 2022 reporting year to 7.02%
Mean Bonus Pay Gap	Nil	Nil	Nil	Nil	Nil	Nil
Median Bonus Pay Gap	Nil	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	42% Male 58% 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 2020, however there was a significant drop in 2021. This appeared 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. In 2022 both the Mean Hourly Rate gap and Median Hourly Rate gap have increased slightly compared to 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.

3.5.3 For future updates it is recommended that we continue to bring the Gender Pay Gap reports 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:

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Failure to comply with the statutory requirement to publish an annual statement	There is no published sanction if the Council's statutory duty is not met.	The statement will sit within the Head of HR accountability and appropriate measures will be put into place to ensure compliance.	E4
Reputational damage	The failure to publish a statement could lead the Council to be criticised for not taking this matter seriously.		
Recruitment and retention issues	Failure to take proactive steps could lead to us widening the gap further	A working group has been 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 regroup for QT2.	

#### 6. Recommendation

6.1 The Committee is asked to note the content of this report prior to publication.

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## Appendices

Appendix 1 – Detailed results

Appendix 2 – Diversity Impact Assessment

## Background papers

None