

EMPLOYMENT MATTERS COMMITTEE

24 JANUARY 2023

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 the Council's results for this reporting year ahead of publication on the Council's public website by 31 March 2023 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. The Regulations require Public Authorities to publish their data.

2.2 Requirements of the Gender Pay Gap 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 2023.
- 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 January 2023 prior to publication on the Council's external website in March 2023; the report to be shared with Trade Unions, Employee Forums, and the Equality Board.
 - The Chief Organisational Culture Officer to act at the Council's "senior person" in signing the report.
- 2.5. On presentation of the Gender Pay Gap report to the Council's Equality Board, colleagues in Public Health offered resource and expertise to undertake a deeper dive into the HR data in relation to protected characteristics and pay. This work has recently been completed and the detailed information is being reviewed and this data is helping to inform and shape our new Equality, Diversity & Inclusion strategy, of which the final draft is nearing completion, and the resulting action plan. It is envisaged that this action plan will incorporate activity to further close the gender pay gap for future years. This Strategy and action plan will be shared with the committee at a later date.

3. Advice and analysis

3.1 The detailed results are shown at Appendix 1. A diversity impact assessment is set out in Appendix 2.

3.2 An executive summary of the findings is shown below:

- Male colleagues show a 7.72% higher mean hourly rate, this is a decrease from 2022 of 2.86% (Data Set A1).
- Male colleagues show a 5.15% higher median hourly rate, this is a decrease from 2022 of 1.87% (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 85% 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 result of each evaluation determines the respective MedPay pay range to which the post is assigned.

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

3.4.1 Comparator Table

	2018 Report	2019 Report	2020 Report	2021 Report	2022 Report	2023 Report	Variance/Comment
Mean Hourly Rate Gap	8.33%	10.63 %	12.26 %	9.93%	10.58 %	7.72%	There was a worsening trajectory form 2018-2020, followed by a decrease in 2021 and an increase in 2022. In 2023 the gap is significantly lower than last year and the lowest since 2018.
Median Hourly Rate Gap	9.40%	10.37 %	11.98 %	5.11%	7.02%	5.15%	A similar trajectory for the median as the mean. Notably, the 2021 report showed a significant drop of 6.87% to 5.11% before increasing in 2022. The 2023 report has shown a decrease of 1.87% to 5.15%.
Mean Bonus Pay Gap	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Median Bonus Pay Gap	Nil	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	15% Male 85% Female	The proportion of females who receive bonus pay continues to exceed male colleagues.

3.5 The table above shows that 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. 2023 has brought a reduction in both the mean and the median – the mean at its lowest since 2018.

3.6 A comparison with other councils in our geographical region (Appendix 3) identifies Medway in the middle of the pack. (The requirement to publish data in 2022 was suspended and Appendix 3 contains the data for 2021.) We will monitor this for 2023 once the results are published later in the year.

3.7 For future updates it is recommended that we continue to bring the Gender Pay Gap report in advance of publication to the Gender Pay website, and continue to monitor through the anticipated Equality, Diversity and Inclusion action strategy and action plan

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	There is no published sanction if the Council's statutory duty is not met.	The statement will sit within the Chief Organisational Culture Officer 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.	Ensure publication within the timeframe.	E4
	A widening gap could impact the council as an employer of choice	Take action to understand the reasons for the gap and put in place appropriate action.	D3
Recruitment and retention issues	Failure to take proactive steps could lead to us widening the gap further	Undertake detailed analysis of the data and take steps in the Equality, diversity & Inclusion strategy and action plan to address these gaps.	D3

Likelihood	Impact:
A Very high B High C Significant D Low E Very low F Almost impossible	1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible

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

Appendix 3 – Comparison with geographical Local government neighbours in Kent (2021)

Background papers

None