

Employment Matters Committee

30 January 2024

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 sight of the Council's results for this reporting year ahead of publication on the Council's public website by 31 March 2024 and on the Government dedicated Gender pay gap reporting website.

1. Recommendation

11 The Committee is asked to note the contents of this report in relation to the Gender Pay Gap prior to publication and to also note the ethnicity pay gap results, as set out in Appendices 4 and 5.

2. Budget and Policy Framework

2.1 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.

3. Background

3.1 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. For the public sector this snapshot is the 31 March each year.

3.2 The Regulations require Public Authorities to publish their data on a public website.

3.3 Requirements of the Gender Pay Gap Legislation

3.3.1 Qualifying employers are required to take an annual “snapshot” of their total payroll and report on a few 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

3.3.2 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.

3.3.3 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.

3.4 Other detail

3.4.1 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.

3.4.2 The reporting data includes all council employees who were employed on 31 March. Apprentices, seasonal, temporary or casual employees are included if they fall within the reference period created by the snapshot date. The data excludes schools based staff. Under the Regulations the Governing Body of maintained Local Authority schools are responsible for the reporting duty for the employees of their school, where the regulations apply.

3.4.3 We publish this information on the [Council's website](#) and on the [governments website](#).

3.4.4 This report relates to the snapshot date of 31 March 2023 that is published in 2024 i.e. the Gender Pay Gap data for 2024 is based on the data as at 31 March 2023.

3.5 Adherence to the statutory duty

3.5.1 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 2024 prior to publication on the Council’s external website in March 2024; 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.

4. Advice and analysis

4.1 Gender pay is different to equal pay, as set out in the Equality Act 2010.

4.2 The Council can have a gender pay gap but still be equal pay compliant. The cause of the gender pay gap may not fall within the direct control of the employer, as it is likely to be caused by the distribution of men and women in different job roles.

4.3 The overall national average for the Gender Pay Gap for the year 2022-23 according to ONS was 14.3%.

4.4 Our workforce gender profile is 74.4%% female and 25.6% male, based on the current establishment.

4.5 2501 employees are included in the snapshot comprising 2270 permanent staff and 231 casual staff.

4.6 Posts within Range's 1-8 in 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. Service Manager posts are evaluated against the GLPC job evaluation scheme.

4.7 The detailed results of the Council's Gender Pay Gap for 2024 are shown at Appendix 1.

4.8 An executive summary of the findings is listed below:

- Male colleagues show a 6.91% higher mean (average) hourly rate (Data Set A1).
- Male colleagues show a 2.88% higher median (middle) hourly rate (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 83% of that population (Data Set's C)
- Female colleagues form the greater proportion in all pay quartiles. (Data Set D)

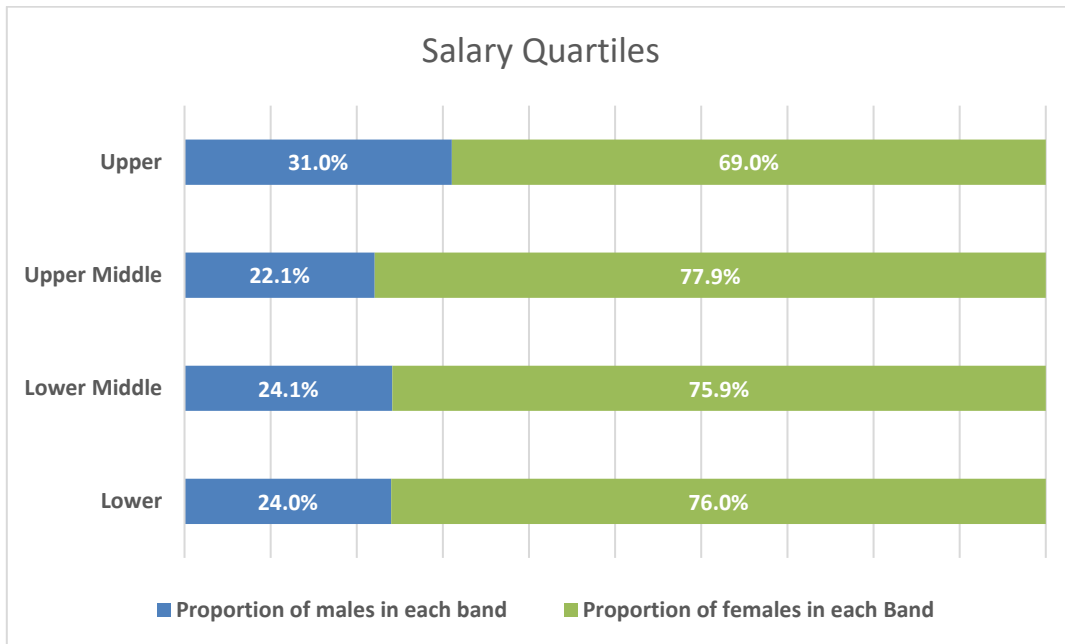
4.9 A comparison of Medway Council's Gender Pay Gap for the last 5 years is shown below:

Comparator Table Data Sets A1, A2, B1, B2 & C

Medway Council	2020 Report	2021 Report	2022 Report	2023 Report	2024 Report	Variance/Comment
Mean Hourly Rate Gap (data set A1)	12.26%	9.93%	10.58%	7.72%	6.91%	The mean gender pay gap has continued to decrease since 2022. In 2024 the mean gender pay gap is the lowest since reporting first started.
Median Hourly Rate Gap (data set A2)	11.98%	5.11%	7.02%	5.15%	2.88%	A similar trajectory for the median as the mean. The median gender pay gap is now at the lowest point since reporting first started.
Mean Bonus Pay Gap (data set B1)	Nil	Nil	Nil	Nil	Nil	Nil – as the payment is the same
Median Bonus Pay Gap (data set B2)	Nil	Nil	Nil	Nil	Nil	Nil – as the payment is the same
Proportion of Male/Female colleagues who received bonus pay. (data set C)	48% Male 52% Female	36% Male 64% Female	42% Male 58% Female	15% Male 85% Female	17% Male 83% Female	The proportion of females who receive bonus pay continues to exceed male colleagues.

- 4.10 The table above shows that the mean (average) Gender Pay Gap in hourly pay has reduced in comparison to last year and from a high in 2020. The median (middle) Gender Pay Gap in hourly pay has also reduced in comparison to last year and is at the lowest point since reporting commenced. There is no Bonus Pay Gap.
- 4.11 Salary quartile reporting is calculated by sorting employees by their hourly rate, from the lowest to the highest, then splitting them into four equal quartiles and the proportion males and females in each quartile. Graph 1 shows the proportion of male and female employees broken down into the four pay quartile bands, Data set D (Appendix 1), Where the hourly rate range for each of the quartiles is also shown. The lower salary quartile includes apprentice pay.

Graph 1- Data Set D 2024



- 4.12 In the Lower, Lower Middle and Upper Middle bands just over three quarters of employees are female. In the Upper band this dips slightly where women make up 69% of the band. The % of female employees in all quartile's is higher than the % of men which is in line with our workforce gender profile. In the upper quartile there are a greater % of men, which shows that a greater proportion of men hold roles which have a higher mean hourly rate of pay than women.
- 4.13 Further analysis will be undertaken to compare this Data set with the previous 4 years ahead of publishing the Gender Pay Gap report as part of the Equality, Diversity & Inclusion action plan.
- 4.14 A comparison with other councils in our geographical region (Appendix 2) identifies Medway in the middle of the pack and performing better than our nearest County Council neighbour. In comparison to Council's in the South East of a similar size to Medway Council we also sit within the middle of the pack.
- 4.15 For future updates it is recommended that we continue to bring the Gender Pay Gap report in advance of publication to the Gender Pay Gap website, and continue to monitor through the Equality, Diversity and Inclusion strategy and action plan.

5. Ethnicity and Disability Pay Gap

- 5.1 Unlike the Gender Pay Gap there is no requirement to publish an Ethnicity or Disability Gap. As part of our Equality, Diversity & Inclusion Strategy and action plan, Medway Council has produced data sets that mirror the Gender Pay Gap for both Ethnicity and Disability, which can be found at Appendix 3 and Appendix 4.
- 5.2 These Data sets are provided as information only at this time.
- 5.3 It is important to note that current declaration rates for ethnicity are 92.96% and for disability 59.2%.
- 5.4 Further analysis will take place and actions identified as part of the Equality, Diversity & Inclusion action plan. However, on initial reading the Ethnicity Pay Gap (Appendix 3) is highlighting that in comparison to White employees, Minority Ethnic employees have a higher mean and median hourly rate. For employees with a Disability the mean hourly rate is fractionally lower than non-disabled employees and the median average hourly rate is higher for employees with a Disability.

6. Financial and legal implications

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

7. Risk Management

- 7.1 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.	DIV
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.	DIV

Recruitment and retention issues	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.	CIII
	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.	CIII
Likelihood:		Impact:	
A Very likely		I Catastrophic	
B Likely		II Major	
C Unlikely		III Moderate	
D Rare		IV Minor	

8. Conclusions

- 8.1 The Council is undertaking a review of the Council's pay scheme, MedPay. One of the aims of this review is to improve transparency in pay and ensure that pay decisions are fair and feel fair. We operate a job evaluation scheme to support adherence to equal pay.
- 8.2 Our Gender Pay Gap shows that by the mean and median males are paid more than female employees. However, the Council's Gender Pay Gap is lower than the national average reported by ONS last year.
- 8.3 We want to improve the diversity of our workforce across all protected characteristics, not just Gender, and strive to ensure we have the data on which to analyse this and take action where necessary to improve the Gender pay Gap.
- 8.4 We are a predominantly female populated organisation. This may be attributable to our raft of family friendly policies, including flexible working.
- 8.5 In comparison to our closest local authority neighbors, and our comparator local authorities in the Southeast, Medway Council is in the middle of the pack in relation to Gender Pay Gap.

8.6 With regard to Ethnicity and Disability Pay Gaps the results appear favourable. This comes with a note of caution in relation to Disability Pay Gap as the declaration rate is only 59.2%.

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Appendices

Appendix 1 – Detailed results

Appendix 2 – Comparison with geographical Local government neighbours in Kent

Appendix 3 – Ethnicity Pay Gap results

Appendix 4 – Disability Pay Gap results

Background papers

None