

Report for: Staffing & Remuneration Committee, 23rd July 2018

Title: Gender Pay Gap Reporting

Report authorised by: Mark Rudd – Assistant Director Corporate Resources

Lead Officer: Ian Morgan - Reward Strategy Manager, Human Resources

Ward(s) affected: All

**Report for Key/
Non Key Decision:** N/A

1 Describe the issue under consideration

- 1.1 As a public authority which has 250 or more employees, the Council is required by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 to report publicly every year on the differences in aggregate pay and bonuses of men and women. This is known as Gender Pay Gap Reporting.
- 1.2 Gender Pay Gap is concerned with variances in the average earnings of men and women, regardless of role or seniority. It is a broader measure of capturing any pay inequalities resulting from variances in the sorts of jobs performed by men and women and the gender composition of our workforce by seniority.

2 Cabinet Member Introduction

Not required for the Staffing and Remuneration Committee.

3 Recommendations

- 3.1 To note the results of the Council's Gender Pay Gap report in the context of the analysis undertaken by London Councils.

4 Reason for Decision

- 4.1 The Staffing & Remuneration Committee requested a report on the Council's results in the context of the analysis carried out by London Councils of all London boroughs.

5 Alternative Options Considered
N/A

6 Background information

6.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require all public authorities with 250 or more employees to prepare and publish data regarding their gender pay gap.

6.2 The gender pay gap is the difference between average pay for women and average pay for men in an organisation, no matter what job they do. This is different to equal pay which deals with the pay differences between men and women who carry out the same or similar jobs (paying men and women differently for the same job has been prohibited by equal pay legislation since 1975).

Gender pay gaps do not automatically mean there are equal pay issues and the absence of pay gaps does not rule out potential equal pay problems. In fact the causes of the gender pay gap are varied and overlapping often originating outside of the workplace, such as stereotypical representations of men and women and standards in careers advice and guidance.

6.3 Under this legislation the Council is obliged to ensure the following is completed:

- To report our data to the gov.uk website
- To publish our gender pay gap report on the Council's external website making it accessible to all its employees and to the public. The report must be available on the external website for at least three years beginning with the date of publication. The first report must be published no later than 30th March 2018

6.4 The Council have published figures for the following:

- Gender pay gap in mean hourly pay
- Gender pay gap in median hourly pay
- Mean bonus pay gender pay gap
- Median bonus pay gender pay gap
- Proportion of males and females receiving bonus pay
- Proportion of males and females in each quartile pay band

6.5 The Council understand that our legal obligations are only the part of ensuring transparency regarding pay inequalities:

- The new rules on reporting are compulsory. The Equality and Human Rights Commission will be responsible for monitoring how public bodies are complying with the gender pay gap reporting requirements, and can take enforcement action. This means it can issue a compliance notice to a public body that it believes is failing to comply with the requirements, and ultimately it can apply to the courts for a compliance order. Moreover, not reporting or reporting a significant gap in pay figures may lead to reputational damage for the Council and issues attracting talent.

- If the Council cannot demonstrate that it is paying men and women equally for doing the same/ comparable job, then it may find itself in breach of the equal pay provisions of the Equality Act 2010.
- If a gender pay gap is identified, the Council could be faced with a rise in claims stemming from perceived gender pay discrimination.

6.6 The Council's gender pay gap was as follows:

- The mean (average) gender pay gap was 1%.
- The median gender pay gap was 1.9%.

N.B. A variance of less than +/-5% is considered not statistically significant.

6.7 The aim of compulsory gender pay gap reporting is to use transparency as a tool for raising awareness, to incentivise employers to analyse the drivers behind their gender pay gap and to explore the extent to which their own policies and practices may have contributed to that gap.

7. Contribution to strategic outcomes

7.1 Gender Pay Gap Reporting will be undertaken annually in order to comply with the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

8. Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities

8.1 Assistant Director of Corporate Governance

The requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, as they relate to the Council, are set out in the body of the report.

8.2 Chief Finance Officer

There are no financial implications arising from this report.

8.3 Equalities

The Council has a public sector equality duty under the Equality Act 2010 to have due regard to the need to: eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act; advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it; foster good relations between people who share a relevant protected characteristic and people who do not share it.

A "relevant protected characteristic" is age, disability, gender reassignment, pregnancy and maternity, race, marriage or civil partnership, religion or belief, sex (formerly gender), and sexual orientation.

9 Use of appendices

Appendix A - London Councils Gender Pay Gap Analysis

- 10** **Local Government (Access to Information) Act 1985**
N/a