

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan.

Report of the Service Director - Human Resources & Business Support

Gender Pay Gap Reporting 2017

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the findings of the council's Gender Pay Gap Report as of 31 March 2017.

2. Recommendations

- 2.1 **That Cabinet notes the results outlined in Appendix A.**
- 2.2 **That Cabinet endorses the commitment to reducing the council's Gender Pay Gap and notes the Action Plan at Appendix B.**
- 2.3 **That Cabinet notes that mandatory Gender Pay Gap reporting will replace the Equal Pay Review undertaken in previous years.**
- 2.4 **That Cabinet notes the new Gender Pay Gap Reporting policy at Appendix C.**

3. Background

- 3.1 A series of government initiatives have been undertaken in order to address the gender pay gap in the UK workforce. The Equality Act 2010 is the main legislation in the UK governing equal pay.
- 3.2 The Equality Act gave the government powers to introduce more detailed regulations requiring employers to publish their gender pay gap statistics.
- 3.3 Under this section of the Act, public authorities with more than 150 employees were required to publish annual details of their pay gap and ethnic minority and disability employment rates from 2011. Outside of the public sector, businesses were asked to undertake gender equality analysis and reporting on a voluntary basis.
- 3.4 The voluntary approach was unsuccessful as very few employers published their gender pay gaps. Therefore in March 2015, the government confirmed it would exercise its powers under the Act to require mandatory reporting. Cabinet should note that the council followed the voluntary approach and has reported its gender pay gap annually since 2007.

- 3.5 The Government published the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which implemented the mandatory gender pay gap reporting requirement for public sector employers with 250 or more employees. As a result of this, public sector bodies are required to publish details of their gender pay gap using pay as of 31 March 17 by no later than 30 March 2018.
- 3.6 The gender pay gap differs from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the differences in the average pay between men and women.
- 3.7 Being committed to promoting equality of opportunity for our workforce and tackling workplace exclusion is important to achieving our vision and values. In support of this and in addition to legislative requirements detailed above, the Council has undertaken an Equal Pay Review since 2007.
- 3.8 However, due to differences in data requirements it is no longer feasible to continue with the equal pay review in its current form as mandatory gender pay gap reporting sets different parameters therefore previous data is no longer comparable.
- 3.9 Although mandatory gender pay gap reporting has now replaced the annual equal pay review it is intended to re-introduce on an alternating cycle from 2018 a review of pay data in relation to disability, ethnicity, age and religion to ensure we comply with the Councils Equality Scheme.
- 3.10 In order to carry out mandatory gender pay gap reporting, the Council has followed the guidance developed by the Advisory, Conciliation and Arbitration Service (ACAS).
- 3.11 The data used for gender pay gap reporting has been collected from the Councils SAP Enterprise Resource Management System and manipulated to extract the essential information.
- 3.12 Following it's consultation process, the Government confirmed that, for the purposes of mandatory gender pay gap reporting, employees of English local authority maintained schools would be considered to be employees of the governing body of that school. The council is therefore not required to include employees of maintained schools in its reporting arrangements. Employees of Academies (who are independent of the Council) are also not included.
- 3.13 In accordance with gender pay gap guidance employees on casual contracts have also not been included in the Gender Pay Gap data.
- 3.14 The current Equal Pay Policy and Code of Practice has been replaced with new Gender Pay Gap Reporting guidance (see Appendix C) to reflect mandatory gender pay gap reporting for public sector employers.

4. The Calculations

- 4.1 Two statistical measures of 'average pay' have been used for the Council's gender pay gap as identified in the ACAS guidance.
- 4.2 A **Mean** average involves adding up all of the numbers and dividing the result by how many numbers were in the list.
- 4.3 A **Median** average involves listing all of the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

5. Results

- 5.1 The results from the gender pay gap analysis and supporting narrative can be found at Appendix A – Gender Pay Gap Report 2017.

6. Future Developments and Action Plan

- 6.1 Human Resources are currently planning for the next gender pay gap reporting period which is based on data as at 31 March 2018. As the council is committed to equality of opportunity for its workforce it is intended over future years in addition to the gender pay gap to re-introduce other protected characteristics on an alternating cycle. The next review will also look at ethnicity and disability to ensure we comply with the Council's Equality Scheme.
- 6.2 As part of the council's ongoing commitment to addressing our gender pay gap a series of actions have been developed that the Council will focus on to try and reduce the gap. These are outlined at Appendix B and will become part of the council's Workforce Diversity Plan.

7. Implications for local people / service users

- 7.1 None arising from this report

8. Financial Implications

- 8.1 None arising from this report.

9. Communications Implications

- 9.1 The Communication and Marketing team are aware of the outcome of the 2017 Gender Pay Gap analysis and have provided support in developing the narrative to ensure it is clear and understandable. The team will also provide support and guidance on any media activity arising from outcome.

- 9.2 To comply with mandatory requirements the Gender Pay Gap results and supporting narrative will be published on the council's website and on the Gender Pay Gap Reporting Service portal on GOV.UK.

10. Consultations

- 10.1 The Senior Management Team has been consulted.
- 10.2 The Equalities and Inclusion Team has been consulted.
- 10.3 The Research and Business Intelligence Team has been consulted.
- 10.4 The Communication and Marketing Team have been consulted.
- 10.5 The Trade Unions have been informed.

11. Promoting Equality and Diversity and Social Inclusion

- 11.1 The content of this report involves analysis of pay distribution within the council for one of the key "protected characteristics" under the Equality Act i.e. gender. The council's Equality & Inclusion Team have been consulted on the analysis and presentation of this data.
- 11.2 As the reporting requirements for gender pay gap reporting have changed, this year's analysis solely addresses gender, to establish a meaningful approach to the analysis, with a view to potentially including ethnicity and disability in future years. The analysis in this report therefore contributes to the equality priority of understanding and improving workforce diversity.

12. Risk Management Issues

- 12.1 The ACAS guidance on gender pay gap reporting provides a standard framework to be applied to calculate gender pay gaps which therefore reduces risk of inconsistencies in this area.
- 12.2 Pay and grading arrangements will always have an element of risk attached to them particularly with regard to equal pay. However, undertaking Gender Pay Gap Reporting is in itself a tool to identify and mitigate the risks associated with pay inequality, along with the Council's job evaluation process.

13. List of Appendices

- 13.1 Appendix A - Gender Pay Gap Report 2017
- 13.2 Appendix B - Gender Pay Gap Action Plan
- 13.3 Appendix C - Gender Pay Gap Reporting Guidance

14. Background Papers

- 14.1 ACAS Managing gender pay gap reporting guidance.
- 14.2 Office of National Statistics (ONS) 2016 Annual Survey of Hours and earnings for national mean average gender pay gap figure.
- 14.3 Chartered Management Institute 2016 Gender Pay Gap Survey for national median average gender pay gap figure.
- 14.4 Equality Scheme 2015-2018 available on the council intranet or from the Equalities and Inclusion team
- 14.5 All background and working papers are available for inspection in the Human Resources and Business Support Business Unit.

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Financial Implications / Consultation <i>(To be signed by senior Financial Services officer where no financial implications)</i>
