

## **BARNSELEY 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 EXECUTIVE DIRECTOR - CORE SERVICES TO CABINET ON 20 MARCH 2019**

#### **GENDER PAY GAP REPORT 2018**

##### **1. PURPOSE OF 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 2018.

##### **2. RECOMMENDATIONS**

- 2.1 **That Cabinet notes the results outlined in Appendix 1.**
- 2.2 **That Cabinet endorses the long term commitment to reducing the council's Gender Pay Gap and notes the Action Plan at Appendix 2.**

##### **3. INTRODUCTION**

- 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 no later than 30 March each year using pay data as of 31 March the previous year

- 3.6 It is important to note that 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 also 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 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).
- 3.10 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.
- 3.11 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.
- 3.12 In accordance with gender pay gap guidance employees on casual contracts have also not been included in the Gender Pay Gap data.
- 3.13 The Councils Gender Pay Gap Reporting guidance reflects the requirements of the mandatory gender pay gap reporting for public sector employers.
- 3.14 In March 2018, the Council carried out analysis of their first gender pay gap using pay data as of 31 March 2017, in accordance with the Equalities Act 2010 and guidance developed by the Advisory, Conciliation and Arbitration Service (ACAS). The findings were published on the Gender Pay Gap Reporting Service portal and on the [Council's website](#).

#### **4. PROPOSAL AND JUSTIFICATION**

- 4.1 Analysis from the Councils second gender pay gap (outlined at Appendix 1) has been undertaken using pay data as of 31 March 2018. The findings of which are to be published in March 2019 on the Gender Pay Gap Reporting Service portal and on the [Council's website](#)

## 4.2 The Calculations

4.2.1 Two statistical measures of ‘average pay’ have been used for the Council’s gender pay gap as identified in the ACAS guidance.

4.2.2 A **Mean** average involves adding up all of the numbers and dividing the result by how many numbers were in the list.

4.2.3 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.

## 4.3 Gender Pay Gap Results

4.3.1 The results from the gender pay gap analysis and supporting narrative can be found at Appendix 1 – Gender Pay Gap Report 2018

4.3.2 Comparisons of the current 2018 figures have been undertaken against the previous 2017 figures and the headline findings are highlighted below.

### 4.3.3 Gender Pay Gap

	<b>2017</b>	<b>+/-</b>	<b>2018</b>
Mean	8.1%	-2%	6.1%
Median	12.4%	-2.8%	9.6%

Results show that the council’s mean gender pay gap has decreased by 2% and median gender pay gap has decreased by 2.8%

It is believed the reason behind the reduction is as a result of changes to the makeup of the organisation and increases in hourly rates of pay throughout the four quartile pay bands. There has also been an increase in females in Grade 12+. In combination this has resulted in a reduction in the mean hourly rate for males (-£0.20) and an increase in mean hourly rate for females (+£0.09) and a more significant increase in median hourly rate for females (+£0.48) than males (+£0.14).

### 4.3.4 Bonus Pay

For gender pay gap reporting purposes bonus payments includes productivity, performance and incentive payments and the council doesn’t make any of these payments.

The council does however need to include the following payments under bonus pay:

- Long service awards - a £100 voucher upon achievement of 25 years’ service
- One off recruitment and retention payments – In accordance with the Recruitment and Retention policy, one off payments can be awarded to recruit or retain employees in key posts.

Results show that the councils mean bonus pay has increased by 60% and median bonus pay has stayed the same.

Although there has been an increase in employees receiving a long service award; (21 males in 2018 compared with 9 in 2017 and 28 females in 2018 compared with 19 in 2017), there has however been a decrease in employees receiving a recruitment or retention payment (0 males in 2018 compared with 3 males in 2017 and 1 female in 2018 compared with 11 females in 2017).

It is believed that the increase in mean bonus pay (which is in favour of females) is due to just 1 retention payment being applied to 1 female and no recruitment payments being applied to either males or females.

It is believed that the median bonus pay which has stayed the same is due to being made up of the £100 Long Service Award which is applied consistently to all employees.

#### 4.3.5 Proportion of Females and Males receiving a bonus payment

When calculating the proportion, this takes into account the overall number of employees receiving a bonus payment (Long Service Award plus Recruitment and Retention Payments) which shows;

The number of males receiving a bonus has increased by 9.

The number of females receiving a bonus payment has increased by just 1.

Proportion of females in receipt of a bonus payment has increased by 0.1%

Proportion of males in receipt of a bonus payment has increased by 1%.

This reflects an increase in more males (21 in 2018 compared with 12 in 2017) achieving 25 years' service compared with females (29 in 2018 compared with 28 in 2017) and that just 1 retention payment was applied to 1 female.

#### 4.3.6 Quartile Pay Bands:

Lower Quartile – The number of females has increased by 0.2%, whereas the number of males has reduced by 0.2%

Lower Middle Quartile – The number of females has reduced by 2.9%, whereas the number of males has increased by 2.9%

Upper Middle Quartile – The number of females has increased by 1.4% whereas the number of males has reduced by 1.4%

Upper Quartile – The number of females has increased by 0.7% whereas the number of males has reduced by 0.7%

The analysis shows that the gender distribution between the quartiles is still not even and overall more females are employed than males

#### 4.4 Action Plan and Future Developments

- 4.4.1 In addition to the 2017 analysis and reporting, an action plan was developed which outlined the Councils ongoing commitment to reducing any gender pay gaps in our organisation. The gender pay gap action plan forms part of the Workforce Diversity Plan, which feeds directly into the Organisation Improvement Board.

- 4.4.2 It is important to note that the gender pay gap action plan is a long term piece of work that requires ongoing commitment in order to reduce the Council's gender pay gap.
- 4.4.3 Since mandatory reporting commenced in 2017, the Government Equalities Office (GEO) has published a report identifying a number of evidenced based actions that employers can undertake to help to reduce their pay gaps. The council already carries out some of these actions e.g. uses structured interviews for recruitment and promotions, uses diverse selection panels, uses transparent promotions, pay and reward processes, delivery of leadership development training and have been doing so for some years prior to mandatory reporting requirements. It is however noted that there are several actions we can improve on e.g. encouraging the uptake of shared parental leave, improving workplace flexibility for men and women, using skills based assessment tasks in recruitment.
- 4.4.4 The gender pay gap action plan 2018 (outlined in Appendix 2) has been updated to reflect progress made to date and new actions have been identified including taking on board actions from the GEO's published report. The council will continue to progress the actions, undertaking regular reviews throughout the year and reporting on progress in line with the Workforce Diversity Plan, Organisation Improvement Board and the next gender pay gap reporting for 2019.
- 4.4.5 The council remains committed to equality of opportunity for its workforce and pledged to include ethnicity and disability as part of this review. However, there are issues around data quality in this area which is currently being addressed. Once this has improved sufficiently, ethnicity and disability along with other protected characteristics will be reported on an alternating cycle.

## **5. CONSIDERATION OF ALTERNATIVE APPROACHES**

- 5.1 There are no alternative approaches that the council can consider due to the mandatory requirement to report the councils gender pay gap as a result of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

## **6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS**

- 6.1 There are no implications for local people and service users arising from this report.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no direct financial implications for the council as a result of this report.

## **8. EMPLOYEE IMPLICATIONS**

- 8.1 There are no employee implications for the council as a result of this report.

## **9. LEGAL IMPLICATIONS**

- 9.1 There are no legal implications for the council arising from this report.

## **10. CUSTOMER AND DIGITAL IMPLICATIONS**

- 10.1 The gender pay gap report is published on the gender pay gap portal and on the council's website. The report can be viewed by either a html flipbook or PDF version.

## **11. COMMUNICATIONS IMPLICATIONS**

- 11.1 The Communication and Marketing team are aware of the outcome of the 2018 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.
- 11.2 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.

## **12. CONSULTATIONS**

- 12.1 The Senior Management Team has been consulted
- 12.2 The Equalities and Inclusion Team has been consulted.
- 12.3 The Research and Business Intelligence Team has been consulted.
- 12.4 The Communication and Marketing Team have been consulted
- 12.5 The Trade Unions have been informed.

## **13. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION**

- 13.1 The 2018 analysis continues to solely address gender, but in order to establish a meaningful approach to the analysis, other protected characteristics will be included in future years. The analysis in this report contributes to the equality priority of understanding and improving workforce diversity.

## **14. RISK MANAGEMENT ISSUES**

- 14.1 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.
- 14.2 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.

## **15. GLOSSARY**

ACAS - Advisory, Conciliation and Arbitration Service  
GEO - Government Equalities Office

## **16. LIST OF APPENDICES**

Appendix 1: Gender Pay Gap Report 2018.

Appendix 2: Gender Pay Gap Action Plan 2018

## **17. BACKGROUND PAPERS**

ACAS Managing gender pay gap reporting guidance.

Office of National Statistics (ONS) 2017 Annual Survey of Hours and earnings for national mean and median average gender pay gap figure.

Government Equalities Office Report - Reducing the gender pay gap and improving gender equality in organisations: Evidence-Based Action for Employers

Equality Scheme 2015-2018 available on the council intranet or from the Equalities and Inclusion team

If you would like to inspect background papers for this report, please email [governance@barnsley.gov.uk](mailto:governance@barnsley.gov.uk) so that appropriate arrangements can be made

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