

BARNSELY 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

GENDER PAY GAP REPORT 2020

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 2020.

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 its 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 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 from this and the Councils subsequent gender pay gap reports are published on the Gender Pay Gap Reporting Service portal and on the [Councils website](#).
- 3.15 In March 2020, the Government Equalities Office and the Equality and Human Right Commission suspended the gender pay gap reporting regulations for the 2019 reporting year due to the Covid-19 pandemic. Therefore, there was no expectation on the council to report and publish. We however recognised the importance of reporting and publishing our 2019 pay gap to ensure pay fairness and transparency and our continued commitment to the gender pay gap journey.

4. PROPOSAL AND JUSTIFICATION

4.1 Analysis from the Councils fourth gender pay gap (outlined at Appendix 1) has been undertaken using pay data as of 31 March 2020. The findings of which are to be published in March 2021 on the Gender Pay Gap Reporting Service portal and on the [Councils 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 the numbers and dividing the result by how many numbers were in the list.

4.2.3 A **Median** average involves listing all 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.

4.2.4 Whilst a mean (or average) is traditionally a popular measure, averages are affected more by who is included in the data collection. It is more influenced by very low or very high pay, compared with the rest of the sample. For example, if we included several highly paid employees the mean pay could increase significantly.

The median however is less influenced by low or high earners and is usually a better measure of a mid-point and for this reason the Council consider that median pay is a more representative figure than mean pay.

4.3 Gender Pay Gap Results

4.3.1 The gender pay gap analysis indicates positive results with a 0.8% median gender pay gap for hourly rate of pay and 0% for bonus pay.

4.3.2 All the results from the gender pay gap analysis and supporting narrative can be found at Appendix A – Gender Pay Gap Report 2020

4.3.3 Comparisons of the 2019 gender pay gap (hourly rates of pay and bonus pay) have been undertaken using available data from Councils within the Yorkshire and Humber region. At the time of preparing this report there was no available data for 2020 comparisons with Councils within the Yorkshire and Humber region.

2019 Gender Pay Gap Comparisons				
Employer	% Difference in hourly rate (Median)	% Difference in hourly rate (Mean)	% Difference in bonus pay (Median)	% Difference in bonus pay (Mean)
Barnsley Metropolitan Borough Council	0	6.5	0	42.2
Calderdale Metropolitan Borough Council	0	2.7	69.4	59.1
City of Bradford Metropolitan District Council	10.7	7.3	0	0
City of York Council	0.2	1.1	0	0
Doncaster Metropolitan Borough Council	16.9	14.6	0	0
East Riding of Yorkshire Council	4.5	7.8	0	94.1
Hambleton District Council	-8.3	-5.9	0	0
Harrogate Borough Council	-2.5	-1.9	0	2.6
Kirklees Council	11.9	10.6	0	0
Leeds City Council	7.8	5.9	21.1	11.5
North Yorkshire County Council	7.1	9.1	0	0
Rotherham Metropolitan Borough Council	13.4	10.6	0	0
Sheffield City Council HQ	5.6	1.4	0	0
Wakefield Metropolitan District Council	0.5	3.4	0	0

4.3.4 Comparisons of the current 2020 figures have been undertaken against the 2019 and 2018 figures and the headline findings are highlighted below.

4.3.5 Hourly Rate of Pay

	2018	+/-	2019	+/-	2020
Median	9.6%	-9.6%	0%	+0.8	0.8
Mean	6.1%	+0.4%	6.5%	-2.4	4.1

According to the Office of National Statistics the national mean (average) pay is 17.4%. The results above show that the council's median gender pay gap has raised slightly with an increase of 0.08%. The mean gender pay gap is a positive move with a decrease of -2.4%.

It is believed the reason the Median and Mean Pay Gaps have altered is as a result of continued changes to the makeup of the organisation and increases in hourly rates of pay throughout the four quartile pay bands. For example, pay rates have increased due to the implementation of the updated national pay spine as part of the Year 2 nationally agreed pay award in April 2018, which saw an uplift to grades 1 to 7. There has also been a reduction in females and an increase in males in Grades 1-3 and a slight decrease in females and males Grades 12+.

In combination this has resulted in an increase in median hourly rate for females (+£0.15) and males (+£0.26). There has also been an increase in the mean hourly rate for males (+£0.08) and an increase in mean hourly rate for females (+£0.43).

4.3.6 Bonus Pay

For gender pay gap reporting purposes bonus payments includes anything relating to profit sharing, productivity, performance and commission for which 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 awarded to employees upon achievement of 25 years' service
- One off recruitment and retention payments – In accordance with the Recruitment and Retention policy, a one off payment can be awarded to recruit or retain employees in key posts to ensure the Council maintains a skilled and experienced workforce. As part of the approvals process associated with awarding the payments, managers are required to consider the wider impact on protected characteristics before awarding a payment.

Results show that median bonus pay has stayed the same with both female and male employees being paid equally. This is due to the number of £100 Long Service Award payments made, which is applied consistently to all employees.

There has however been a decrease in employees receiving a long service award in 2020; (12 males in 2020 compared with 14 males in 2019 and 21 males in 2018 and 23 females in 2020 compared with 27 females in 2019 and 28 females in 2018).

The mean bonus pay reflects that female employees receive 48.6% less than male employees. It is believed that the increase in mean bonus pay in favour of males is due to the recruitment and retention payment amounts applied being higher for males than females. There were 4 retention payments applied to 2 males and 2 females, all have received a 10% lump sum payment based on their current salary. The bonus payment in favor of males, is purely down to one male being paid a higher salary (Grade 12) than the other three (all Grade 9) and subsequently a higher 10% retention payment. The retention payment however has been applied consistently to both the 2 males and 2 females.

The results show that the mean pay gap will fluctuate year on year as a result of the recruitment and retention payments, which is why the median pay gap is a more representative figure as this is reflective of the long service award of £100 which is applied consistently to all employees.

4.3.7 Proportion of Females and Males receiving a bonus payment

When calculating the proportion, this considers 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 decreased by 7.

The number of females receiving a bonus payment has decreased also by 7.

Proportion of females in receipt of a bonus payment has reduced by 0.4%

Proportion of males in receipt of a bonus payment has reduced by 0.8%.

This reflects an overall decrease in both males and females achieving 25 years' service (23 females in 2020 compared with 27 females in 2019 and 28 females in 2018 and 12 males in 2020 compared with 14 males in 2019 and 21 males in 2018). There is also a decrease in females and males who have received a recruitment and retention payment (2 Females in 2020 compared with 5 females in 2019 and 1 in 2018 and 2 males in 2020 compared with 7 males in 2019 and no males in 2018). The proportion of employees who have received a payment that's categorised for gender pay gap reporting as a bonus, indicates that both males and females are treated the same with just a 0.3% difference between them.

4.3.8 Quartile Pay Bands:

Lower Quartile – The number of females has decreased by - 4.1%, whereas the number of males has increased by 4.1%

Lower Middle Quartile – The number of females has increased by 1.4%, whereas the number of males has decreased by - 1.4%

Upper Middle Quartile – The number of females has increased by 0.4% whereas the number of males has decreased by - 0.4%

Upper Quartile – The number of females has decreased by - 0.6% whereas the number of males has increased by 0.6%

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 It is important to note that the developing and publishing of a gender pay gap action plan is not a mandatory requirement. Additionally, a gender pay gap action plan is a long-term piece of work and requires ongoing commitment in order to try and reduce a gender pay gap.

4.4.2 In addition to the 2017 analysis and reporting, an action plan was developed which outlined the Council's ongoing commitment to reducing any gender pay gaps in our organisation. This action plan is continually reviewed and updated each reporting year.

4.4.3 Sadly due to the effects of the Covid-19 pandemic on council services we were unable to carry out and implement all the actions from the 2019 plan. Therefore, to ensure we can continue to fulfil our key priorities and our journey to addressing our gender pay gap we have rationalised the actions and can confirm;

- 46% are now complete/closed.
- 27% are now realigned to form part of the council's key organisation and workforce strategies (OD-People Strategy, Apprenticeship Strategy, Recruitment Strategy)
- 18% are on either on hold pending the implementation of Success Factors or deemed as not to be a priority over the next 12 months.
- 9% are not to be progressed as they are viewed to be no longer relevant.

The rationalised plan can be found at Appendix B – Gender Pay Gap Report Action Plan 2020.

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.

11. COMMUNICATIONS IMPLICATIONS

- 11.1 The Communication and Marketing team are aware of the outcome of the 2020 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 Communications and Marketing Team has been consulted
- 12.4 The Trade Unions have been informed.

13. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

13.1 The 2020 analysis continues to solely address gender, but in order to establish a meaningful approach to the analysis we will aim to include other protected characteristics 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 2020.
Appendix 2: Gender Pay Gap Action Plan 2020

17. BACKGROUND PAPERS

ACAS Managing gender pay gap reporting guidance.

Office of National Statistics (ONS) 2019 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

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

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Financial Implications/Consultation



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(To be signed by senior Financial Services officer where no financial implications)