

Pay Gap Reporting

To: Staffing and Appeals Committee

Date: 25th February 2021

From: Assistant Director HR Services

Purpose: The purpose of this report is to review the gender pay gap publication to ensure compliance with:

- Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Recommendation: Staffing and Appeals Committee is asked to approve the Pay Gap Report 2021 (Appendix 1) for consideration by full Council on 16th March 2021.

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1.0 Background

- 1.1 The Equality Act 2010 provides the legislation by which we are required to publish a number of calculations that show the difference between the average earnings of men and women in our Council; it does not involve publishing individual employees' data. The data used for the calculations is the Council's pay data as of 31st March 2020.
- 1.2 At the Full Council meeting in July 2020, our Councillors gave their full backing to tackling racial inequality and racism within the Council and unanimously agreed a motion that racism in all forms, both structural and in individuals, is a serious problem and set out a number of specific actions to address this. One of these actions is to report annually on the Council's ethnicity pay gap, and this has been included in the pay gap report outlined in Appendix One.

2.0 Gender Pay Gap

- 2.1 Gender pay reporting is used to assess the levels of gender equality in the workplace and the balance of male and female employees at different levels of the Council.
- 2.2 The data shows the Council's mean gender pay gap is 7%. Last year our mean gender pay gap was 8%.
- 2.3 The Council's median gender pay gap is 9%. Last year our median gender pay gap was also 9%.
- 2.4 The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary. The mean gender pay gap is the difference between the average hourly earnings of men and women.

3.0 Ethnicity Pay Gap

- 3.1 National consultation on the potential reporting of an ethnicity pay gap closed in January 2019 and an outcome has not yet been released. It is likely that reporting an ethnicity pay gap will be a mandatory requirement in future but when and how this will work, with organisations using different classifications, and that disclosing their ethnic origin is voluntary for employees, remains to be defined by Central Government. As such, the method in which we report the ethnicity pay gap may differ in future from how we have approached it in this report if reporting becomes legislative with defined criteria.
- 3.2 Our ethnicity pay gap is calculated in a similar format to the gender pay gap process, comparing the number of employees disclosing their ethnicity against the earnings of employees who are white, and excluding those who have opted to 'prefer not to say' or who have not disclosed any information on their ethnicity.
- 3.3 The data shows the Council's mean ethnicity pay gap is 2.5%.
- 3.4 The Council's median ethnicity pay gap is -2.9% therefore our pay gap is in favour of employees who have disclosed they are of an ethnic origin other than "white".

3.5 Whilst it is pleasing that the median ethnicity pay gap in particular is positive, it should be noted that the figures could be skewed as we do not hold data for 1 in 4 of our employees. Further efforts have been made to encourage people to share this information, in a joint approach with the Equality and Diversity Network, and the message has been reissued with a recent employee engagement survey on Equality, Diversity and Inclusion.

4.0 Progress Against Actions

4.1 The actions developed to reduce our gender pay gap are managed by the Council's People Strategy Implementation Board. This action plan will be updated to incorporate ethnicity pay gap actions once the Council's ethnicity data becomes more complete and we are able to identify any themes or areas of concern in the data.

4.2 Members will continue to be updated on progress against these actions through an annual review at Staffing and Appeals Committee. An update on progress with actions can be found in Appendix Two.

4.3 Additional analysis on the Council's pay gap has been provided in Appendix Three for Staffing and Appeals Committee only (this will be removed prior to the report being submitted for Full Council).

5.0 Source documents

5.1 Pay Gap Report