

# Staffing Committee

## Dorset County Council



Date of Meeting	27 November 2017
Officer	Chief Executive
<b>Subject of Report</b>	<b>Gender Pay Gap Reporting</b>
Executive Summary	<p>The Equality Act 2010 (Specific Duties and Public Authorities) imposes mandatory gender pay gap reporting obligations on employers. These obligations will first apply in respect of pay as of 31 March 2017 (the 'snapshot' date) and employers with 250 or more employees will need to report on their gender pay gap and publish their data by 30 March 2018; this will include the council.</p> <p>This report seeks to highlight the background to the gender pay gap reporting requirements and to provide information about what needs to be published by the council, on both the Dorset for You website and also on the national Gov.uk website having been recommended to the County Council at its meeting on 22 February 2018 by the Staffing Committee.</p>
Impact Assessment:	<p>Equalities Impact Assessment: Not required as the provisions comply with the Equality Act.</p>
	<p>Use of Evidence: The report refers to guidance and information provided by the government and relevant legislation.</p>
	<p>Budget: None arising directly from this report although the requirement to report annually on the gender pay gap does involve additional work for Human Resources and Organisational Development. Any findings or recommendations/action plans for the future may have a subsequent impact on budgets.</p>

## Gender Pay Gap Reporting

	<p>Risk Assessment: Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk: LOW</p>
	<p>Other Implications: None arising directly from this report.</p>
Recommendation	<p>It is recommended that the Staffing Committee:</p> <p>Notes the requirement for the council to publish gender pay gap information under the provisions of The Equality Act 2010 (Specific Duties and Public Authorities), before 31 March 2018 and each subsequent year thereafter.</p>
Reason for Recommendation	<p>To ensure that the council is compliant in respect of the gender pay gap reporting duty.</p>
Appendices	<p>None</p>
Background Papers	<p>None</p>
Report Originator and Contact	<p>Name: Tracy Scott, Principal HR&amp;OD Adviser Tel: 01305 224619 Email: t.scott@dorsetcc.gov.uk</p>

## Gender Pay Gap Reporting

### 1. Introduction

1.1 The County Council must prepare a gender pay gap report for 2017 and each subsequent year thereafter. The requirement to publish such information is included as part of the Equality Act 2010 (Specific Duties and Public Authorities). Reporting is mandatory for employers with 250 or more employees as of 31 March 2017 (the 'snapshot' date). All public sector employers are required to publish information about gender pay gaps by 31 March 2018 and annually thereafter.

#### 1.2 Gender Pay Gap Defined

1.2.1 The gender pay gap shows the difference between the **average** (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings. An example of this could be expressed as women earn 15% less than men. Used to its full potential, gender pay gap reporting is a valuable tool for assessing levels of pay equality in the workplace, and to enable employers to focus on enabling women to reach their full potential. Although the UK gender pay gap is at its lowest level ever at just over 18 per cent, which has decreased from 27.5 per cent in 1997, the government are keen to ensure that this percentage is lowered further.

#### 1.3. Gender Pay Gap and Equal Pay

1.3.1 The gender pay gap does not show differences in pay for comparable jobs. Unequal pay for men and women has been illegal for 45 years following the introduction of the Equal Pay Act 1970; this legislation has since been superseded by the Equality Act 2010.

1.3.2 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. In the County Council, job evaluation (JE) schemes are used to size roles and ensure that there is a clear rationale for differences in pay levels which are not linked to gender. The council also carries out periodic Equal Pay Audits to identify any areas where there may be equal pay concerns.

1.3.3 The gender pay gap shows the differences in the **average pay between men and women**. If a workplace has a particularly high gender pay gap, this can indicate there may be a number of issues to address. Individual calculations may help to identify what those issues are which then assists organisations in putting action plans in place to deliver positive change. In some cases, the gender pay gap may include unlawful inequality in pay but this is unlikely to be the case at the council given the JE schemes in place.

#### 1.4 Reporting Considerations

1.4.1 In preparing the report on the gender pay gap, the Council will need to give consideration to the following:-

- Public Sector employers must comply with the regulations for any year where they have a 'headcount' of 250 or more employees on 31 March.
- Headcount embraces a wider definition than 'employee' and includes workers, as well as some self-employed people. Agency workers are included, but these are reported by the supplying agency rather than the council.

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- There are six calculations to carry out, and the results must be published on the employer's website and a government website within 12 months of the snapshot date of 31 March 2017.
- Employers have the option to provide a narrative with their calculations. This should generally explain the reasons for the results and give details about actions that are being taken to reduce or eliminate the gender pay gap. The council will be providing some narrative for this purpose.
- While the regulations for the public, private and voluntary sectors are near identical, and the calculations are directly comparable, the public sector regulations additionally take into account the Public Sector Equality Duty (PSED). The duty came into force in 2011 and requires public sector organisations to promote equality rather than just avoid discrimination.

### 1.5 Reporting Requirements

1.5.1 The key elements of the gender pay gap report are:-

- the difference in mean pay between male and female employees;
- the difference in median pay between male and female employees;
- the difference in mean bonus pay between male and female employees;
- the difference in median bonus pay between male and female employees;
- the proportions of male and female employees who were paid bonus pay; and
- the proportions of male and female employees in each quartile of their pay distribution.

1.5.2 The council's gender pay gap will be compared with the national average pay gap data. For the 2017 report, the data will be taken from the Office of National Statistics 2016 Annual Survey of Hours and Earnings.

## 2. **Schools**

2.1 For the purposes of the requirement to publish gender pay gap reports, maintained schools (in and out of federations) employing 250 more people are responsible for creating and publishing their own reports. This includes foundation, community, voluntary, nursery and special schools. For academies in and out of chains, and for free schools, the proprietor is responsible for reporting their gender pay gap data. Where the school pays for HR payroll support, the council will provide the school with the raw data to enable them to analyse and publish their own report.

## 3. **Non compliance**

- 3.1 The Regulations themselves do not include an enforcement mechanism or any sanctions for non-compliance with the duty, but the explanatory note to the Regulations states that failure to comply with the duty will constitute an "unlawful act" within the meaning of s.34 of the Equality Act 2010, which empowers the Equality and Human Rights Commission (EHRC) to take enforcement action.
- 3.2 In addition to the risk of enforcement action by the EHRC, employers should consider the potential damage to their reputation of non-compliance with the gender pay gap reporting duty. An employer that publishes information on its gender pay gap in line with the duty, along with an explanation putting the figures in context and providing

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details of steps that it is taking to address the gap, is likely to be more attractive to potential future employees than an employer that has failed to comply with the duty.

- 3.3 Employers are required to publish their gender pay gap information on a Government website. The Government has said that this will allow it to monitor levels of compliance and establish a database of compliant employers. In the future, tables showing employers' reported pay gaps by sector and the identity of employers known not to have complied with the duty may be published.
- 3.4 The gender pay gap reporting duty for public-sector employers in England was brought in by an extension of the existing specific public sector equality duties, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (SI 2017/353). The EHRC has responsibility for enforcing the public sector equality duties. It will be able to issue a compliance notice against a public body that it believes has failed to comply with the gender pay gap reporting duty and can apply to the courts for an order requiring compliance.

## 4. Trade Union Involvement

- 4.1 The council's Green Book and Soulbury Trade Unions have taken a keen interest in gender pay gap reporting through a number of discussions over the past year. Further information and information relating to the annual report will continue to be considered at future Trade Union meetings.

## 5. Next Steps

- 5.1 The gender pay gap report must be approved by a resolution of the County Council before it comes into force and the first report must be prepared and approved before the end of March 2018. Each subsequent report must be prepared and approved before the end of March immediately preceding the financial year to which it relates.
- 5.2 As the requirement is to set out the mean and median pay gap between male and female employees, the report will focus on analysis of data. As there is no requirement to name employees, there is no requirement for Fair Processing Notices to be issued. Fair Processing Notices are only issued to individuals to alert them to the fact that data will be published in the public domain which could result in them being identified.
- 5.3 As a resolution of the County Council is required to approve the gender pay gap report by the end of March for each upcoming financial year, it is recommended that this is considered alongside the annual Pay Policy Statement at the first Staffing Committee and County Council meetings of each calendar year.
- 5.4 Once agreed, and before 31 March 2018, the Gender Pay Gap report will be published on the Dorset for You website and uploaded to the Gov.uk website.
- 5.5 The first annual gender pay gap report will be presented to the Staffing Committee on 29 January 2018 prior to consideration and approval by the County Council on 22 February 2018.

**Debbie Ward**  
Chief Executive

10 November 2017

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