

## Slough Borough Council

<b>Report To:</b>	Employment and Appeals Committee
<b>Date:</b>	22 December 2022
<b>Subject:</b>	Gender Pay Gap Report
<b>Chief Officer:</b>	Stephen Brown
<b>Contact Officer:</b>	Surjit Nagra Associate Director - HR, Christine Ford Diversity & Inclusion Lead.
<b>Ward(s):</b>	All
<b>Exempt:</b>	NO
<b>Appendices:</b>	Gender Pay Gap Report 2022

### 1. Summary and Recommendations

1.1 This report presents Committee Members with the 2022 Slough Borough Council statutory gender pay gap figures as follows:

- There has been a decrease in both the mean and median pay gap
- In 2022 the mean gender pay gap was 0.7% (compared to 0.9% in 2021)
- In 2022 the median gender pay gap was 0% (compared to 3.8% in 2021)
- The council employs more women than men in all pay quartiles
- The mean and median bonus pay gaps are 0%
- Full details are included in Appendix A

#### Recommendations:

The Committee is recommended to review and note the Gender Pay Gap Report 2022.

#### Reason:

The council is committed to being an inclusive and representative workforce, where gender equality is advanced. It is a statutory requirement to publish gender pay gap figures annually (see section 3.2).

#### Commissioner Review

Commissioners noted the contents of gender pay report.

## 2. Report

### 2.1 Introductory paragraph

Since 2017, all organisations employing more than 250 staff are required by law to publish their gender pay gap (GPG) annually. The figures for 2022 are based on a snapshot date of available payroll data on 31 March 2022. The Gender Pay Gap must be reported and published by 30 March 2023.

The gender pay gap shows the difference in average hourly pay between all men and women in a workforce. It is different to *equal pay* – that is men and women being paid the same amount for the same or comparable work. It is unlawful to pay people differently for work of equal value because of their gender.

The legislation requires us to look specifically at the mean and median average **hourly** pay rates, based on full-time equivalent salaries. The gap reported is the percentage difference between men and women – the gender pay gap. The mean and median gender bonus gap, the proportion of men and women receiving a bonus and the proportion of men and women in each pay quartile are also reported as part of the requirements.

The figures only relate to directly employed staff (as per the reporting regulations).

Throughout 2022, the council has worked to significantly improve the quality of HR data collected and analysed. The gender pay gap is produced through a dedicated Agresso report and the calculations verified by the data insight team and finance.

## 3. Background

**3.1** Like most local authorities, Slough Borough Council employs more women than men. We have a good track record of supporting women in the workplace: whilst our reported gender pay gaps have fluctuated over the years, largely due to the impacts of organisational change, they have remained lower than the national average since reporting began (see Appendix A for the SBC reported pay gaps 2017-22). Nationally, the gender pay gap has slowly declined since the reporting requirements came into place. The latest published statistics on national gender pay gaps show that in 2021, based on 10,283 employers reporting on the government's national reporting service website, the average median gender pay gap was 12.2%. Last year, the Office for National Statistics (ONS), through its Annual Earnings Survey, calculated that the national average median gender pay gap for all employers was 15.4% (this includes smaller employers who are not required to report on the national reporting service). In 2021, the council's median gender pay gap was 3.8% and this year it has reduced to 0.

**3.2** The council is committed to supporting women in the workplace, which includes closing the gender pay gap where possible. As part of becoming the "*Right Council for Slough*", the 2022 Corporate Plan for Improvement and Recovery commits to employing an inclusive and representative workforce, where diversity is valued and supported at all levels of the organisation. To support gender equality and reduce the gender pay gap, the council:

- Operates a transparent pay grade system, with all positions being subject to a strict job evaluation process.

- Has developed a comprehensive suite of HR policies to support those with caring responsibilities (which remain mainly women), including flexible and agile working, parental leave and enhanced maternity pay.
- Has this year developed specific guidance and resources to raise awareness, and increase support for employees around menopause in the workplace.
- Has developed peer led support, engagement and policy review through the SBC's Women's Network.
- Conducts Equality Impact Assessments (EIAs) on HR policies and organisational change processes.

**3.3** However, as is the case in many organisations, the main causal factors of the gender pay gap at SBC are linked to:

- Women making up the majority of staff working part-time, and part-time roles tending to have lower median rates of hourly pay.
- Women being more likely than men to take periods of unpaid leave (often relating to caring responsibilities).
- Women being under-represented in the most senior management positions.
- Women being over-represented in roles and sectors that are traditionally less well paid (such as care and administration).
- Having an older age profile for employees: recent national research suggests that there is a strong correlation between the gender pay gap and age: under the age of 40 years, the gap is much lower (an average of 3%). However, this accelerates to a much higher average of 12% for those women over 40 years of age. Further analysis will be undertaken on the impact of age and gender pay gap at SBC.

**3.4** It is positive that the 2022 median and mean pay gaps have reduced, with the mean remaining under 1% and the median now being 0%. These are significantly lower than the national average. The council is valued by employees as a workplace where gender equality is supported. However, it is also important to appreciate the limitations of the statutory gender pay gap figures in how they explain our current workforce situation. Any structural changes to staffing can impact, positively or negatively, on the gender pay gap figures year on year. For example, changes in the number and pay structures of Executive Level posts tend to impact on the mean average as this is most influenced by "outliers" in the salary distribution. Increases in the number of lower paid positions –especially if they are in service areas that tend to be dominated by one gender over the other – tend to impact the median average. Due to the scale of service changes that we must make over the coming years, and as we reshape our workforce and continue our path to financial stability, there will be inevitable fluctuations in the reported statutory GPG figures.

**3.5** In March 2022, a significant number of positions were being covered by temporary staff. These staff, who are not directly employed, are not included in the gender pay gap calculations. As we embark on a significant programme of permanent recruitment over the coming months, these new permanent employees will be reflected in the March 2023 GPG figures. With this in mind, we should expect considerable fluctuations.

**3.6** The following table shows the current gender profile by salary range (based on full Time equivalent) of permanent directly employed staff as of November 2022.

Please note this is not directly comparable with the GPG calculations as there are different parameters of relevant employees and complex payroll calculations of hourly pay. There will also have been movement in staff numbers since March.

Salary bands	F	M	Total
£90k +	3	8	11
80-89	1		1
70-79		1	1
60-69	4		4
50-59	37	23	60
40-49	51	36	87
30-39	208	98	306
20-29	247	189	436
10 to 19	14	6	20
0-10	7		7
	<b>572</b>	<b>361</b>	<b>933</b>

**3.7** To support gender equality we will continue to:

1. Engage with staff through surveys, focus groups and the SBC Women's Network Group
2. Complete impact assessments on future restructuring plans and seek to identify and mitigate negative impacts where possible.
3. Develop processes to monitor recruitment and ensure processes are inclusive and conduct regular analysis of workforce profiles.
4. Update HR policies to support gender equality
5. Use the new performance appraisal process to identify personal development plans and support career progression for all staff.

The gender pay gap figures will be published on the national gender pay gap reporting service website <https://gender-pay-gap.service.gov.uk/> as per the statutory requirements.

## **4. Implications of the Recommendation**

### *4.1 Financial implications*

There are no financial implications of the proposed action in terms of allocated budgets.

### *4.2 Legal implications*

It is a statutory duty for the council to publish its gender pay gap annually (Equality Act 2010(Gender Pay Gap Information) Regulations 2017)

### 4.3 *Risk management implications*

Failure to calculate and publish the gender pay gap by the required deadline, risks legal challenge relating to non-compliance and potential investigation and intervention by the Equality and Human Rights Commission. Failure to address the long term causes of gender pay gap in the workplace can reduce staff morale and engagement, and ultimately impact recruitment and retention. Longer term it may also increase the risk of indirect and direct discrimination claims.

### 4.4 *Environmental implications*

There are no anticipated environmental implications

### 4.5 *Equality implications*

The obligation for organisations to calculate and publish the differences between what women and men earn, on average, in their workplaces provides transparency and the council seeks to reduce the gaps where possible. It aims to promote inclusion and gender equality in terms of pay. No negative equality impacts are identified: recommendations to promote gender equality are likely to improve inclusion generally for all groups and will not disadvantage other protected characteristics. The council is not proposing any positive action strategies.

### 4.6 *Workforce implications*

The council is committed to being an inclusive and representative employer, promoting equality of opportunity for women and reducing the gender pay gap where possible. Closing the gender pay gap and taking actions to promote gender equality in the workplace is known to positively impact on recruitment and retention.

## 5. **Background Papers**

Gender Pay Gap Report 2022