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## **Meeting of the Cabinet – 15<sup>th</sup> February, 2024**

### **Report of the Deputy Chief Executive**

### **Gender Pay Gap Report 2023 – Snap shot date 31st March 2023**

#### **Purpose of report**

1. To consider and approve the Gender Pay Gap report 2023 which is due for publication by 30th March 2024 in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

#### **Recommendations**

2. It is recommended that Cabinet :-
  - Approve the Gender Pay Gap 2023 report attached at Appendix 1 for public disclosure, and thereafter the report is published and data reported to the government before the 30th March 2024 to ensure compliance with the requirements of the 2017 Regulations.

#### **Background**

3. The Equalities Act 2010 (Gender Pay Gap Information) Regulation 2017 aims to tackle the gender pay gap that exists in organisations and provide transparency around gender pay gap reporting. Thus, all employers with more than 250 employees are required to publish an annual gender pay gap report on the difference between the average earnings of men and women, expressed as relative to men's earnings.
4. The gender pay gap differs from equal pay in that equal pay relates to pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap is a measure of any disparity in pay between the average earnings of male and female employees.

5. Figures contained within the report must be calculated using a specific reference date known as the 'snapshot date', which for public sector organisations is 31st March. Employers are required to publish the report within a year of the snapshot date. Thus, the report compiled for Dudley Council is based on a snapshot date of 31st March 2023 and must be published by 30th March 2024.

#### Dudley's Current Position and Action taken to date

6. The full Gender Pay Gap report for 2023 is attached at Appendix 1 to this report. The analysis is based on the overall pay difference between Dudley's male and female workforce and is provided in accordance with the six mandatory calculations that are required to be reported on to meet the Regulations. These are:

**Mean gender pay gap** – the difference in the mean hourly pay of male and female employees expressed as a proportion of the male figure

**Median gender pay gap** – the difference in the median hourly pay between male and female employees, expressed as a proportion of the male figure

**Mean Bonus gender pay gap** – the difference in the mean bonus pay between male and female employees, expressed as a proportion of the male figure

**Median Bonus gender pay gap** – the difference in the median bonus pay between male and female employees, expressed as a proportion of the male figure

**Hourly pay quartiles** – the number of male and female employees in each quartile of the overall pay range

**Bonus pay proportion** – the proportion of male and female employees who received a bonus in the year.

7. Having analysed Dudley's position in accordance with the above mandatory calculations, it confirms that as of 31<sup>st</sup> March 2023,
  - the average hourly rate for Male employees was **£16.53** (*an increase from £15.19 in 2022*).
  - The average hourly rate for Female employees was **£15.23** (*an increase from £14.21 in 2022*).

The mean gender pay gap, therefore, is **7.9%** (as a percentage of male pay) which reveals that, overall, the gender pay gap has slightly increased when compared to last year at 6.5%. The increase can be attributed to a decrease in headcount from 5225 to 5062 with the biggest change being in Female Part-Time staff (156 employees less than last year). These positions are generally on lower paid grades, so a reduction in these posts

would shift the balance slightly to the full-time, high paid grades, thus affecting the gender pay gap. Any change in composition of the workforce can impact the gender pay gap.

Whilst the gender pay gap for Dudley has seen a slight increase this is significantly lower than The Office of National Statistics (ONS) data from the Annual Survey of Hours and Earnings (ASHE) for 2022 which states that the national mean gender pay gap for all employees is 13.13%.

8. When making comparisons against the 2022 report, there has been a very slight increase in the 'median' Gender Pay Gap figure from **12.7%** to **12.8%**. The 'median' calculation being the actual mid-point between the highest and lowest paid. The median hourly rate for Male employees was **£15.63** (*an increase from £13.95 in 2022*). The median hourly rate for Female employees was **£13.62** (*an increase from £12.17 in 2022*). The median gender pay gap, therefore, is **12.8%** (as a percentage of male pay) which is slightly higher than the national average at 11.96%.
9. Data has been calculated in accordance with the reporting legislation, this includes calculating an hourly rate for employees as at 31 March 2023, excluding overtime. Dudley Council does not operate a bonus scheme and therefore bonus calculations are not included.
10. Like other local authorities, the lower paid roles within the Council such as cleaner, catering assistant, administration are predominantly female with, for example, a significantly higher number of female catering assistants compared to male. The majority of these roles are also part-time with female employees making up 81.5% of part time workers. As a result, the gender pay gap within Dudley is, in part, due to the high concentration of female employees in part-time and lower paid job roles when compared to the average (mean) hourly rate of all employees across the Council
11. The causes of any gender pay gap remain complex and there is not one single particular reason why a gender pay gap exists. However, some of the work undertaken to reduce the Gender Pay Gap in Dudley is outlined on page 7 of the gender pay gap snapshot report (appendix 1) including:
  - Requests for part-time, flexible or job share working is considered for all positions, not excluding senior higher paid roles.
  - We have refreshed the provision of recruitment and selection training, to reflect our new position on Equality, Diversity, and Inclusion to ensure that those conducting interviews have the relevant knowledge and an understanding of matters that may arise.
  - The mandatory e-learning programme has been reviewed and now that the new LMS has been procured, bespoke EDI e-learning modules are placed on this to tackle inequalities and also to focus on new areas

such as the menopause champions, Gender equality and the Gender pay gap.

- An equality module on each of the Leadership Development programmes, which is an evaluated programme.
  - The refresh of a Corporate Induction programme which includes a section on Equality, diversity, and inclusion.
  - The launch of the carers passport, to support employees to stay in work.
  - The Council's continued commitment to ensure our pay rates reflect the Real living wage which impacts predominantly on the lower paid employees who are mainly female and ensures that a minimum hourly rate is paid as calculated by the Living Wage Foundation.
12. Dudley will continue to do more to tackle the gender pay gap at Dudley by building on our long-standing commitment to encourage more women into careers that are traditionally male dominated and vice versa. Further work planned in the year ahead is outlined on page 8 in the report at appendix 1.

## **Finance**

13. There are no direct financial implications arising from this report.

## **Law**

14. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 impose obligations on employers with 250 or more employees to publish information relating to the gender pay gap in their organisation. In particular, employers are required to publish the following:
- The difference between the average hourly rate of pay paid to male and female employees;
  - the difference between the average bonus paid to male and female employees;
  - the proportions of male and female employees who receive bonuses;
  - the relative proportions of male and female employees in each quartile pay band of the workforce.
15. To comply with the Regulations, employers must both:
- Publish their gender pay gap data and a written statement on their public facing website
  - Report their data to government online using the gender pay gap reporting service.

## **Risk Management**

16. If action is not taken to reduce the gender pay gap this could impact on the ability to attract and recruit to posts. In particular, this could affect hard to fill roles, where we are competing against other employers regionally and nationally for candidates. The actions included in the pay gap report at appendix 1 and in the People and EDI Strategies are intended to mitigate this risk.

## **Equality Impact**

17. The Council is committed to the promotion of equality of opportunity and choice for all of its employees and considers its transparency, reporting and monitoring as being an important step in tackling any issues of inequality.
18. Following an initial assessment for equality impact and identification of potential significant equality impacts, a full equality impact assessment has been completed and is attached at appendix 2.

## **Human Resources/Organisational Development**

19. The Council is committed to seeking to further reduce the current gender pay gap and will continue to review and take necessary action, where appropriate, to close the gap in accordance with its commitment to promote equality in employment.

## **Commercial/Procurement**

20. There are no direct commercial or procurement implications associated with this report.

## **Environment/Climate Change**

21. There are no direct environment/climate change implications associated with this report.

## **Council Priorities and Projects**

22. Both the People Strategy and Equality, Diversity, and Inclusion Strategy focus on a number of areas aimed at tackling any gap in the pay of female employees. Details of planned activity is also reflected in the delivery plans that sit beneath these strategies.

Balvinder Heran

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## **Appendices**

- Appendix 1 – Gender Pay Gap Report 2023
- Appendix 2 - Equality Impact Assessment