



Report of: **Corporate Director of Resources**

Meeting of Audit Committee	Date 19 th March 2018	Agenda Item	Ward(s)
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SUBJECT: Gender pay gap report

1. Synopsis

1.1 From 6 April 2017, the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, SI 2017/353 impose specific duties, including gender pay gap reporting requirements, on the Council. They require the publication of calculations annually showing how large the pay gap is between its male and female employees. The Equality and Human Rights Commission has the power to enforce any failure to comply with the regulations. Employers will also run a reputational risk if they fail to publish the information.

2. Recommendations

2.1 To note the information provided in this paper and approve it for publication.

3. Background

3.1 Employers have up to 12 months to publish their gender pay gap report on their own website and on gov.uk. The deadline to report is 30 March, 2018 for public sector employers. The information must be maintained online on the employer's website for a minimum of three years. Four types of figures must be shown, taken from the payroll data in March 2017:

- Gender pay gap (mean and median averages)
- Proportion of men and women in each quartile of the organisation's pay structure
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses

Employers subject to the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 do not need to prepare a written statement to confirm that the published information is accurate but can do so if they wish. However, all employers are required to provide a narrative

to aid an understanding of the organisation’s view of the picture presented by the gender pay gap information.

Employers should then use the information to help understand any underlying causes for any gender pay gap and take suitable steps to minimise it. Benefits will differ between employers but can include developing a reputation for being a fair and progressive employer, attracting a wider pool of potential recruits for vacancies and the enhanced productivity that can come from a workforce that feels valued and engaged in a culture committed to tackling inequality.

4. Mean and Median Hourly Pay

	Male	Female	Gender Pay Gap
Mean	17.79	18.73	-5.29%
Median	16.20	18.24	-12.61%

4.1 The gender pay gap is the average hourly rate of pay of female full-pay relevant employees expressed as a percentage of male full-pay relevant employees. A negative figure indicates that the average hourly rate of pay of female full-pay relevant employees is greater than their male equivalent. The mean figure is the total of all individual rates of pay for each gender divided by the number of employees in that gender. The median is the rate of pay of the middlemost employee in each gender. In this data, the median removes the disproportionate effect of small numbers of employees who are on higher rates of pay.

5. Pay Quartiles

	Headcount		Percentage per Band	
	M	F	M	F
Upper Pay Quartile	488	644	43.11%	56.89%
Upper Middle Pay Quartile	485	648	42.81%	57.19%
Lower Middle Pay Quartile	532	602	46.91%	53.09%
Lower Pay Quartile	705	429	62.17%	37.83%

5.1 Employees are divided into quartiles according to their hourly rates of pay (the Upper Pay Quartile being the highest paid quarter of all council employees), and then the percentage of male and female employees in each quartile is compared. This is the required format for the publication of this data. The above information does not take into account that there are more female than male workers employed by LB Islington (51.25% of staff are female), but adjusting for this would not make any significant difference to the figures.

6. Bonus Pay

	Male	Female	Gender Pay Gap
Mean	1,377.38	1,821.18	-32.22%
Median	1,296.00	1,500.00	-15.74%

Women paid bonus as % of all women	9.77%
Men paid bonus as % of all men	5.11%

6.1 The gender pay gap is the average value of bonuses paid to female relevant employees expressed as a percentage of the average value of bonuses paid to male relevant employees. For LB Islington, bonuses as defined for the purposes of the Gender Pay Gap are retention payments, one-off honoraria and long service awards. The vast majority of bonuses, excluding long service awards, (75%) are paid in Children, Employment and Skills.

7. Conclusion

7.1 In respect of the overall pay for male and female employees, the latter are generally in a more favourable situation than their male counterparts. This is true in respect of basic pay and bonuses, as well as regarding the frequency of bonus payments. The primary reason for this is that there are significantly more men employed in low-paid jobs than women (see Lower Pay Quartile figures), particularly in areas of work which are traditionally male-dominated, such as waste collection, caretaking and street cleansing.

8. Implications

8.1 Financial Implications

There are no financial implications arising from this report.

8.2 Legal Implications

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, SI 2017/353 impose specific duties, including gender pay gap reporting requirements, on the Council. The purpose of the duties is to enable the better performance by the Council of the public sector equality duty imposed by section 149(1) of the Equality Act 2010, which requires the Council to have due regard, in the exercise of its functions, to specified equality aims.

8.3 Environmental Implications

There are no environmental implications arising from this report.

8.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The analysis undertaken to compile this gender pay gap report demonstrates that the council is not discriminating against women in the remuneration of its employees. It strives to combat discrimination in all its forms and has adopted policies, procedures and systems which demonstrate its commitment to equality of opportunity and to ensuring the dignity at work of all its employees. These include supporting flexible working, so that a balance can be achieved between family commitments and professional aspirations. The council's policies also include payment of the London

Living Wage, as a minimum, which represents a fair day's pay for a fair day's work, and a level of remuneration which means its employees can afford to live in the capital.

Final report clearance:

Signed by:



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Date: 1st March, 2018

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