

GMCA Resources Committee

Date: 28 January 2022
Subject: GMCA Gender and Ethnicity Pay Gap reporting March 2021
Report of: Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

PURPOSE OF REPORT:

To inform the Resources Committee about the legislative reporting arrangements in relation to Gender Pay Gap and seek approval and seeking authority to publish the report on the GMCA internet site and update the Government Gender Pay Gap website.

For the first time the GMCA is also voluntarily sharing its GMCA wide Ethnicity Pay Gap. This is not a legislative requirement at this stage. By publishing the ethnicity pay gap annually it is hoped that it will drive progress in diversifying its staff groups ethnicity representation and be used as a reporting tool to assist with embedding a diverse and inclusive culture within the GMCA.

The report comprises two sections:

Section 1 – deals with Gender Pay Gap

Section 2 – deals with Ethnicity Pay Gap

RECOMMENDATIONS:

The GMCA is requested to:

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

1. Approve the publication of the GMCA Gender Pay Gap on the GMCA website on an annual basis based on snapshot data at 31 March 2021, to comply with the legislative requirement for employers with more than 250 employees.
2. To endorse the proposal to publish the GMCA wide Ethnicity Pay Gap.





CONTACT OFFICERS:

Amanda Stevens, Assistant Director - Workforce Operations

Mallicka Mandal, Assistant Director - Workforce Strategy and Talent

Ashley Southern, HR Systems & Information Manager,

Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health		
Resilience and Adaptation		
Housing		
Economy		
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s):	Equalities Impact Assessment	
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.
		 Negative impacts overall.

Risk Management:

The current “Gender Pay Gap Report at the snapshot date of 31 March 2020” is available on the intranet and published on the Government website. Approval by the Resources Committee in January 2022 will enable the publication of the Gender Pay Gap Report as at the snapshot date of 31 March 2021” by March 2022 which ensures the statutory requirements for publication on 30 March 2022 are met. Any further guidance provided will be incorporated into the policy to ensure it meets legislative requirements.

Legal Considerations:

Legislative requirement.

Financial Consequences – Revenue:

Not Applicable.

Financial Consequences – Capital:

Not Applicable.

Number of attachments to the report:

One.

Comments/recommendations from Overview & Scrutiny

Committee:

Not Applicable.

BACKGROUND PAPERS:

- The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- ACAS Guidance on Gender Pay Gap
- To comply with the Gender Pay Gap legislation the following reports were compiled and run on the snapshot date of 31 March 2021 by the MI Analyst:
 - iTrent Gender Pay Gap Report;
 - iTrent Pay Element Report;

- Headcount Report used at the Snapshot data for KPIs (Structure, Hours, Gender, Occupational Group, Basic Pay, Joining dates etc.);
- Starters and Leavers Report compiled for KPI reporting;
- Absence Report to identify Sickness, Maternity, Paternity and Adoption leave.
- Various comparisons, calculations and reconciliations were performed to produce the final set of data which has been signed off by the Deputy Payroll & Pensions Manager and the HR Systems & Information Manager.

TRACKING/PROCESS

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

EXEMPTION FROM CALL IN

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

1. SECTION 1 – GENDER PAY GAP

1.1 INTRODUCTION/BACKGROUND

The Gender Pay Gap is the difference in average pay between the men and women in the workforce, irrespective of their role or seniority.

The Gender Pay Gap is not the same as equal pay, which deals with paying men and women equally for performing the same (or similar) work. Equal pay is a requirement in law since 1970.

1.2 RELATED LEGISLATION / REGULATIONS

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 apply to specified English authorities, specified cross-border authorities and specified non-devolved authorities across England, Scotland and Wales. The public-sector requirements were introduced as part of the existing public-sector equality duty, rather than as a standalone requirement. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 applies to all private and voluntary sector employers with 250 or more employees.

The regulations introduced in 2017 require public, private and voluntary sector organisations, with 250 or more employees on a specified ‘snapshot date’ relevant to their sector, to report annually on their gender pay gap, using six different measures (see requirements below).

1.3 REQUIREMENTS

Gender pay gap calculations are based on employer payroll data drawn from a specific date each year. This specific date is called the ‘snapshot date’.

The organisation has a duty to publish annually the following information relating to pay:

- Requirement 1: The difference between the mean hourly rate of pay of relevant male and female employees.
- Requirement 2: The difference between the median hourly rate of pay of relevant male and female employees.

- Requirement 3: The difference between the mean bonus pay paid to relevant male and female employees - Not applicable as GMCA does not pay any bonuses.
- Requirement 4: The difference between the median bonus pay paid to relevant male and female employees - Not applicable as GMCA does not pay any bonuses.
- Requirement 5: The proportions of relevant male and female employees who were paid bonus pay - Not applicable as GMCA does not pay bonuses.
- Requirement 6: The proportions of relevant male and female employees in the lower, lower middle, upper middle and upper quartile pay bands.

Mean is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.

Median is the middle hourly pay rate when you arrange your pay rates in order from lowest to highest.

The calculations are based on a 'snapshot date' of 31 March 2021 for public sector organisations. Reports for previous years 2020, 2019, 2018 and 2017 Gender Pay Gap figures as at 31st March have been published.

COMPARATIVE DATA

Snapshot date:	31/03/2017¹	31/12/2017²	31/03/2018	31/03/2019	31/03/2020	31/03/2021
% Difference in hourly rate (Mean)	31/03/2017 10.5	31/12/2017 2.5	31/03/2018 1.9	31/03/2018 -2.7	31/03/2020 -7.4	31/03/2021 -7.7
% Difference in hourly rate (Median)	31/03/2017 10.3	31/12/2017 0.5	31/03/2018 1.3	31/03/2018 0.1	31/03/2020 -7.1	31/03/2021 -7.5

% Women in lower pay quartile	31/03/2017 38.30	31/12/2017 40.69	31/03/2018 40.40	31/03/2018 37.90	31/03/2020 37.70	31/03/2021 35.80
% Women in lower middle pay quartile	31/03/2017 2.60	31/12/2017 2.38	31/03/2018 4.10	31/03/2018 6.00	31/03/2020 6.34	31/03/2021 8.30
% Women in upper middle pay quartile	31/03/2017 8.50	31/12/2017 13.42	31/03/2018 13.30	31/03/2018 15.20	31/03/2020 16.07	31/03/2021 16.10
% Women in top pay quartile	31/03/2017 14.70	31/12/2017 25.11	31/03/2018 24.90	31/03/2018 28.10	31/03/2020 36.04	31/03/2021 37.10

A negative gender pay gap means that, on average, women's gross hourly earnings are higher than those of men.

GMFRS¹ gender pay gap figures, as of March 2017. This data reflects the Gender Pay Gap status before integration took place into the GMCA.

GMFRS² gender pay gap figures, as of December 2017. This data reflects the Gender Pay Gap status after GMFRS integration took place into the GMCA.

From 1 April 2017, GMCA adopted more powers, devolved from central government. With effect from 4th May 2017, a newly elected Mayor for Greater Manchester (GM) was appointed to implement those powers and make more decisions locally to improve the lives of GM residents. As part of this transition, GMFRS integrated with GMCA on 8th May 2017.

The data above provides an overall positive picture of the Gender Pay Gap improvement in the GMCA. The year on year increases in Quartiles 2 to 4 and a decrease in Quartile 1

from 2017 are very positive and an indicator that the overall recruitment strategy is working in terms of Gender Pay Gap.

Currently, it is difficult to do a comparison of Gender Pay Gap figures to other organisations at the snapshot date of 31 March 2021 due to low publication rates.

1.4 GENDER PAY GAP – KEY FINDINGS

GMCA Gender Pay Gap is based on hourly rates of pay as at 31 March 2021. Female staff hourly earnings were on average 7.7% (mean) higher than male staff and 7.5% (median) in favour of female staff.

The Gender Pay Gap gives a snapshot of the gender pay balance within an organisation. It measures the differences between the relevant earnings of all male and female employees, irrespective of their role or seniority

The biggest driver in the GMCA Gender Pay Gap is the structure of its workforce.

- Overall, results for March 2021 tell us that the GMCA has decreased gender inequality within the workplace, as the Gender Pay Gap mean is below the national average by around 22.6 percentage points, and the median by 22.9 percentage points.
- The gender distribution over the pay groups indicates that 24.3% of the GMCA relevant paid workforce in March 2021 consists of female staff.
- The workforce reflects a greater proportion of male staff in roles affected by occupational segregation. This is evident from the proportion distribution of men in the “lower middle” and “upper middle” quartiles. A significant number of male staff are within senior higher-paid roles, when compared to female staff.
- 62.54% of all male staff are Firefighters and Crew Managers, earning a similar hourly rate, lower than the average, which reduces the overall hourly rate for male staff. In comparison 16.30% of female employees are in similar roles therefore, not having the same influence on the averages.

1.5 OCCUPATIONAL GROUPS

- The mean and median are in favour of male staff for both Uniformed and Support staff.

- The main contribution to the Gender Pay Gap is the predominance of male staff across all Uniformed ranks with less female staff in the senior Uniformed roles.
- Results over the period 2020 to 2021 show there has been a slight improvement in the Gender Pay Gap for Uniformed in 2021, where the percentage point has improved by 1.78% and a slight deterioration for Support staff of 1.76% from the previous year.
- The improvement is due to an increased intake of female Trainee Firefighters and development into higher ranked roles which has had a positive outcome on both mean and median for Uniformed Staff. Over time it is hoped that with promotion of these new female recruits into more senior roles will rebalance the lack of females in the senior Uniformed roles.

1.6 QUARTILE PAY BANDS

- The pay quartile analysis shows that there has been a significant improvement of female representation within the upper quartiles. 38.17% of female staff employed are now within the upper quartile.
- Overall, 36.78% of female staff employed are in the lower quartile compared to only 21.19% of men employed. This is an improvement on previous years of 2.4%.
- The pay quartile distribution data tells us that most Uniformed colleagues are in the “lower middle” and “upper middle” quartiles when staff are arranged in order of hourly pay rate.
- Above that, the number of female staff employed is consistently lower than male staff across all four quartiles, the proportion of female staff ranging between 8%, 16% and 37% in the top 3 quartiles in 2021.

2. SECTION – 2 ETHNICITY PAY GAP

Currently there is no obligation or legal guidance for employers to provide their Ethnicity Pay Gap data. The GMCA have decided to voluntarily provide a picture of their Majority and Minority Ethnicity Pay Gap in the interest of transparency. The government published a consultation into whether employers should be required to report on pay gaps by ethnicity in October 2018. The consultation sought views on:

- what ethnicity pay information should be reported by employers to allow for meaningful action

- who should be expected to report
- next steps.

Following this consultation, there is still no indication of when ethnicity pay reporting will be introduced, and whilst the potential complexity of reporting by ethnicity means that this is likely to be some way off, a small but growing number of organisations are already reporting this information.

Releasing the Ethnicity Pay Gap alongside the Gender Pay Gap, prior to this becoming a legislative requirement, the GMCA will be able to identify any anomalies early and commence the process of addressing these issues. Prominent organisations who have signed a commitment to ethnic pay gap reporting in a bid to encourage others to do so include Bank of England, Citigroup, Deloitte, Ernst and Young, KPMG, HSBC, Lloyds of London, Santander, Sodexo, amongst others.

The table below depicts a few Public Sector Organisations who have published their March 2020/1 Ethnicity Pay Gap.

Public Sector Organisations Ethnicity Pay Gap for the snapshot date 31 March 2020/1	% Difference in hourly rate (Mean)		% Difference in hourly rate (Median)	
GMCA	4.4	lower	1.26	lower
Office of National Statistics (2019 Data)	2.3	lower	1.9	lower
Reading Borough Council	6.9	lower	0.3	lower
Westminster City Council	17.1	lower	17.2	lower
Oxford City Council	10.3	lower	9.4	lower
Enfield Council	9.5	lower	3.0	lower
London Councils	2.9	lower	-5.3	higher
Nottingham City Council	7.9	lower	8.6	lower
Brighton & Hove City Council	7.0	lower	3.1	lower

BBC	6.6	lower	7.1	lower
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GMCA Ethnicity Pay Gap is based on hourly rates of pay as at 31 March 2021 the minority ethnic staff hourly earnings were on average 4.4% (mean) lower than the majority ethnic staff and the median 1.26% in favour of majority ethnic staff.

The Ethnicity Pay Gap has been calculated using the same legal requirements and principles as the Gender Pay Gap. This is to ensure consistency for both Gender and Ethnicity Pay Gap calculation methods for the GMCA.

An Ethnicity Pay Gap (mean or median) is the difference between the relevant hourly rate of pay of employees who are part of the ethnic majority and that of the employees who are part of the ethnic minority. The figure is expressed as a percentage of pay of the employees who are part of the ethnic majority.

There are a few points to note in relation to Ethnicity Pay Gap:

- There is also no legal requirement for employees to disclose their ethnicity. Therefore, the numbers only represent those who have disclosed, and this could potentially distort the average pay rates and ultimately the pay gap for either minority and / or majority groups.
- It is thought that including employees who have not disclosed their Ethnicity on their own or including them within the majority does not give an accurate representation of the GMCA Ethnicity Pay Gap.
- It is important to understand that the calculation or outcome of the Ethnicity Pay Gap could change once legislative requirements have been introduced by the Government.
- The mean hourly rate for uniformed ethnic minority groups increased in 2021 due to development and progression into higher ranks.
- GMCA have a lower representation of employees from ethnic minority groups in senior, higher paid roles
- Fewer employees from the lower and upper quartiles have disclosed their ethnicity to the GMCA. This means several lower and higher paid individuals are not reflected in the pay gap calculations, which may impact the numbers in future years.

3. NEXT STEPS

The GMCA will continue to maintain and monitor the positive trends, its diversity and attraction strategy and equality, diversity and inclusion plans which will positively impact the pay gaps in the future.

The GMCA will strive to increase completion of equality data by staff so that it can measure more accurately the ethnicity pay gap in the workforce.

The GMCA will continue its efforts to increase diversity of the uniformed workforce including promotion pathways to increase representation in senior uniformed ranks.