

GMCA Resources Committee

Date: 22 March 2024

Subject: GMCA Gender and Ethnicity Pay Gap reporting March 2023

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 authorisation 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 progression 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:

1. Approve the publication of the GMCA Gender Pay Gap on the GMCA website on an annual basis based on snapshot of data as at 31 March 2023, 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.





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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 2022” is available on the intranet and published on the Government website. Approval by the Resources Committee in February 2024 will enable the publication of the Gender Pay Gap Report as at the snapshot date of 31 March 2023” by March 2024 which ensures the statutory requirements for publication on 30 March 2024 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

1. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
2. ACAS Guidance on Gender Pay Gap
3. To comply with the Gender Pay Gap legislation the following reports were compiled and run on the snapshot date of 31 March 2023 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

GM Transport Committee

Not Applicable.

Overview and Scrutiny Committee

Not Applicable.

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 relevant 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 2023 for public sector organisations. Reports for previous years 2022, 2021, 2020, 2019, 2018 and 2017 Gender Pay Gap figures as at 31st March have been published.

Snapshot date:	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
% Difference in hourly rate (Mean)	31/03/2018 1.9	31/03/2018 -2.7	31/03/2020 -7.4	31/03/2021 -7.7	31/03/2022 -6.7	31/03/2023 -8.8
% Difference in hourly rate (Median)	31/03/2018 1.3	31/03/2018 0.1	31/03/2020 -7.1	31/03/2021 -7.5	31/03/2022 -9.8	31/03/2023 -14.7
% Women in lower pay quartile - Q1	31/03/2018 40.4	31/03/2018 37.9	31/03/2020 37.7	31/03/2021 35.8	31/03/2022 33.7	31/03/2023 33.9
% Women in lower middle pay quartile – Q2	31/03/2018 4.1	31/03/2018 6.0	31/03/2020 6.3	31/03/2021 8.3	31/03/2022 11.3	31/03/2023 12.5
% Women in upper middle pay quartile – Q3	31/03/2018 13.3	31/03/2018 15.2	31/03/2020 16.1	31/03/2021 16.1	31/03/2022 16.7	31/03/2023 25.0
% Women in top pay quartile – Q4	31/03/2018 24.9	31/03/2018 28.1	31/03/2020 36.0	31/03/2021 37.1	31/03/2022 38.8	31/03/2023 39.2

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

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 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 2023 due to low publication rates.

1.4. GENDER PAY GAP – KEY FINDINGS

The GMCA Gender Pay Gap data is based on hourly rates of pay as at 31 March 2023. Mean hourly earnings for female staff were 8.8% higher than for male staff and median hourly pay was 14.7% higher for female staff compared to male 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, the March 2023 median GPG data shows that the pay gap typically expected, in favour of male employees, does not apply in the GMCA context; indeed, the median pay of female employees compared to male was higher in 2023 than it was in the previous year. The same pattern is evident when considering the mean GPG data, with the average pay of female GMCA employees also higher than that of their male counterparts. Our GPG mean is below the national average by 22.0 percentage points, and the median by 29.0 percentage points.
- It is worth noting that the increase in the mean to 8.8% and the median to 14.7% in favour of females is a consequence of the Uniformed pay award not having been implemented in the financial year 2022/23 due to ongoing negotiations between the National Joint Council for Local Authority Fire and Rescue Services (NJC) and the Unions. Further contributing factors are the successful implementation of a flat rate pay award to Support staff in 2022/23 and the GMCA gender workforce split containing a high Uniformed male representation; this all manifested itself in the increase in the mean and median pay gap in favour of female staff. In March 2023 the NJC has agreed an increase of 7.0% following successful union negotiations with effect from 1 July 2022 for 2022/23 which has since been implemented post

March 2023, this will result in a narrowing of the mean and median pay gap in the next publication.

- The gender distribution over our pay groups indicates that 27.2% of the GMCA relevant paid workforce in March 2023 consists of female staff, which is a slight increase in female representation than the previous year (25.1%).
- Our workforce reflects a greater proportion in occupations where women are underrepresented, such as firefighters, and typically produce higher pay gaps in separate occupational groups. This is also evident from the proportional distribution of men in the “lower middle” and “upper middle” quartiles. We have had a significant increase in the number of female staff within the “upper middle” quartiles, this contributes to the 2023 mean and median pay gaps between female and male employees increasing.
- 59.4% of all male staff are Firefighters and Crew Managers, earning a similar hourly rate, lower than the average across GMCA, which reduces the overall hourly rate for male staff. In comparison 14.8% 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 our Gender Pay Gap is the predominance of male staff across all Uniformed ranks with fewer female staff in the senior Uniformed roles.
- Comparison of the 2023 data with the previous year shows a narrowing of the mean Gender Pay Gap for Uniformed staff (a reduction of 2.2 percentage points) and a narrowing of the gap for Support staff (a reduction of 0.9 percentage points).
- The decrease in the mean for Uniformed ranks is due to the reduction in male Crew and Watch Managers. Besides this, the percentage of male Uniformed staff on development grades increased from 7.8% in 2022 to 12.8% in 2023 whilst the female staff on development grades reduced slightly from 17.6% to 15.8% All the above would influence the 2.2 percentage point decrease in our 2023 mean pay gap.

1.6. QUARTILE PAY BANDS

- The pay quartile analysis shows that there has been an improvement in female representation within the upper pay quartiles. 38.7% of female employees are now within the upper quartile compared to 37.2% in 2021.

- The pay quartile analysis shows that there has been an improvement in female representation within the upper middle pay quartiles. 25.0% of female employees are now within the upper middle quartile compared to 16.6% in 2022. There has been a slight increase in the lower middle quartile and a reduction in the lower and upper quartiles.
- Overall, 29.3% of female employees are in the lower quartile, compared to only 23.4% of men employed. This is an improvement on previous years of 4.2 percentage points.
- The pay quartile distribution data show that most Uniformed employees are in the “lower middle” and “upper middle” quartiles.
- There were fewer female employees than male across all four quartiles in 2023, with particularly low proportions in the middle two quartiles. The proportion of female staff ranges between 12%, 25% and 36% in the top 3 quartiles in 2023.

2. 2. SECTION – 2 ETHNICITY PAY GAP

Currently there is no obligation or legal guidance for employers to provide their Ethnicity Pay Gap data. However, given our commitment to equality in the workplace, and to transparency about our progress towards greater equity for employees from racially minoritised communities, this report also provides data on GMCA's majority and minority ethnicity pay gap.

Releasing the Ethnicity Pay Gap alongside the Gender Pay Gap, the GMCA will be able to identify any anomalies early and commence the process of addressing these issues.

Public Sector Organisations Ethnicity Pay Gap for the snapshot date 31 March	% Difference in hourly rate (Mean)		% Difference in hourly rate (Median)	
GMCA	6.2	lower	4.6	lower
Office of National Statistics (2019 Data)	2.3	lower	1.9	lower
Financial Conduct Authority (FCA) (2023)	21.4	lower	17.5	lower
Newham London Council (2023)	7.4	lower	0.0	lower
Chartered Institute of Personnel and Development (CIPD) (2023)	13.1	lower	16.8	lower

Public Sector Organisations Ethnicity Pay Gap for the snapshot date 31 March	% Difference in hourly rate (Mean)		% Difference in hourly rate (Median)	
Brent Council (2023)	13.5	lower	14.7	lower
Oxford City Council (2022)	14.4	lower	11.8	lower
University of Bristol (2023)	11.8	lower	3.2	lower
University of Manchester (2022)	15.6	lower	12.4	lower
Confederation of British Industry (CBI) (2022)	14.7	lower	15.1	higher
Nottingham City Council (2022)	5.1	lower	12.6	lower
BBC (2023)	4.2	lower	7.4	lower

The Mean Ethnicity Pay Gap has widened from 4.7% in favour of the majority staff group in 2022 to 6.2% in 2023.

The Median Ethnicity Pay Gap has increased, from 3.6% in favour of the majority staff group in 2022 to 4.6% in 2023.

There are less comparator data available on the ethnicity pay gap than for the GPG, and specific data for Greater Manchester are not available. However, the Office for National Statistics published a 2019 dataset with the median ethnicity pay gap at national and regional level. More recent data are not available, so the comparison with the GMCA 2023 data should be caveated (for this reason, the GMCA 2022 data are also shown). As shown in the table below, although the GMCA 2023 median ethnicity pay gap (4.6%) was considerably wider than the 2019 UK median (1.9%), the 2019 North West median (5.4%) was wider still. Based on the 2022 GMCA data, our median ethnicity pay gap (3.6%) was above the 2019 UK but below the North West median values.

GMCA Ethnicity Pay Gap (EPG) comparison to ONS data

Requirement	GMCA 2023	GMCA 2022	UK 2019	North West 2019
Median ethnicity pay gap	4.6%	3.6%	1.9%	5.4%

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 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.
- Including Not Disclosed ethnicity staff on their own or including them within the majority group would not give an accurate representation of the GMCA Ethnicity Pay Gap.
- The calculation or outcome of the Ethnicity Pay Gap could change once legislative requirements have been introduced by the Government.
- To ensure consistency, the Ethnicity Pay Gap has been calculated using the same legal requirements and principles as the Gender Pay Gap.
- We continue to focus on increasing our disclosure rates, in particular amongst new starters, in order to ensure that our calculations are reflective of our whole organisation and that we can better track year-on-year trends.
- The mean is in favour of the majority staff group for both Uniformed and Support staff in both 2022 and 2021.

3. NEXT STEPS

We will continue to maintain and monitor all trends, within the diversity and attraction strategy and Culture Action Plans, which should impact positively on pay gaps in the future.

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

We will continue our efforts to increase diversity of the GMCA workforce, including promotion pathways to increase representation in senior ranks.

We will continue to initiate an organisation wide campaign to encourage employees to disclose their diversity data, through learning, sharing the benefits and importance of data and how it's used.