



Gender Pay Gap

The deadline is approaching for local authorities with 250 or more employees to publish their gender pay gap figures. There will be a lot of attention paid to the councils with the biggest gaps between the average pay of men and women, but what do the figures actually tell us?

At the time of writing about 50 councils have already uploaded their gender pay gap information to the Government website – even though there is no obligation to do so until 31 March. Personally I have never understood people who hand in their homework early, but it does mean that we can look at some of the patterns that are emerging in the gender pay gaps being reported by councils across the country.

Without naming names, the biggest gender pay gap I can see is 26 per cent – which does seem rather high and is well above the gender pay gap in the economy as a whole. In contrast, however, I can count seven councils who are reporting that, on average, women are actually paid more than men – 11 per cent more in one case.

The almost overwhelming temptation is to regard councils who report a small or negative gender pay gap as doing well and those with a larger than average gap as clearly having an equal pay problem. However, that would be far too simplistic. The fact is that the gender pay gap figures that employers are required to publish tell you nothing about whether an employer complies with the Equality Act when it comes to equal pay.

Equal pay is a claim brought by individuals (sometimes a large number of individuals) who claim that their pay is lower than that of another employee of the opposite sex doing equal work to them.

Central to an equal pay claim is the requirement to compare two employees doing equal work – either work which is the same, or which has been rated as equivalent under a detailed job evaluation scheme or work which is of ‘equal value’. Workforce wide averages really don’t come in to this. I cannot envisage an equal pay claim in which the reported gender pay gap figures would provide useful evidence for the Tribunal to take into account. From an employment law point of view the figures are simply worthless.

Of course their main purpose is not to help employment lawyers, but to give an impetus to employers to improve sex equality in their organisations. Whatever you may say about the details of the Regulations it is certainly true that we are paying more attention to the relative pay of men and women than we were a few years ago.

But I think that there is reason to believe that the figures reported by councils have particular problems, stemming from the sheer number and variety of the people that councils employ – particularly at the lower end of the pay scale.

What really stands out for me looking at the various pay gaps reported by councils across the country is how much they correlate with the proportion of men and women in the lowest pay quartile. When I see a council with a negligible pay gap I can pretty accurately predict that their lower pay quartile will either be evenly split between men and women or be more than 50 per cent men. Where women are in a clear majority in that lower pay quartile then the gender pay gap will tend to be higher – even if women are in a majority in the higher pay quartiles also. In fact about half of councils are reporting that women make up a majority of the employees in the upper pay quartile and most of the remainder report a figure of 45-50 per cent. It does appear that it is the breakdown of employees in the lower pay bracket that determines the gender pay gap.

There is no real mystery about what is going on here. At the lower end of the pay scale there are a range of jobs that for deep-seated historical and sociological reasons are traditionally done overwhelmingly by either men or women. Those employed to clean streets, for example, tend to be men; those employed to clean offices tend to be women – and there are many more examples. I think that what we are primarily seeing with the gender pay gaps reported by councils is that the pay gap reflects the relative numbers of employees in those jobs traditionally dominated by one sex or the other – with a crucial factor being the extent to which such workers are contracted out or directly employed. If a council contracts out its street cleaning team to a private sector company, then the result will be that it loses a large number of low-paid men from its workforce. That means that the average pay of men will go up and the gender pay gap will increase. The gender pay gap will decrease, however, if the council contracts out its office cleaners, and fall even further if it brings its street cleaners back in house.

This means that the gender pay gap figures do not actually mean what the public and the press tend to assume that they mean. They tell you more about a council's policy on contracting out services than its commitment to equal pay.

A council with a larger than average gender pay gap could be a model of equality with an exemplary record of recruiting, retaining and promoting women across its organisation and a council with no pay gap at all might have a lot to hide in terms of how men and women are treated. Councils can, of course, publish detailed narratives explaining just what their pay gap means in reality – but it is the headline figure that will stick with most people. It will be hard to counteract the overall public impression that a small pay gap is good and a large pay gap is bad. Indeed, in future years, councils are likely to be judged not just on the headline figure of their gender pay gap but also the direction of travel – is the gap going up or down? In reality any changes are more likely to be the result of structural or organisational changes than any real change in the relative treatment of men and women, but that is unlikely to be how they are portrayed.

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Appendix 1

Council	Mean	Median	4Q Female	3QFemale	2Q Female	1Q Female	Workforce % female
Amber Valley Council	5.4	-15.6	79	26	52	38	48.75
Ashfield District	1.7	0	46	39	42	40	41.75
Barnet	5	0	58	61	50	40	52.25
Bracknell Forest	16.3	23.3	90	79	76	75	80
Borough of Poole	2.9	2.2	61	69	69	65	66
Broadland District Council	26.8	25.5	80	78	70	48	69
Broxtowe Borough Council	6.6	0	48.8	56.8	52	41.6	49.8
Chichester Disctrict Council	3.6	3.4	44	61	56	43	51
Chiltern Discript Council	15	21.9	69	66	80	52	66.75
Chorley Borough Council	1.2	0	44	61	53	45	50.75
Corby Borough Council	9.2	11.2	54	75	44	51	56
Crawley Borough Council	1.6	0	39	62	54	45	50
Doncaster Metropolitan Borough Council	15.7	21.1	88	69	67	54	69.5
Erewash Borough Council	9	0	52	52	63	47	53.5
Fylde Borough Council	-0.6	-18.7	21.9	32.8	50	28.1	33.2
Gedling Borough Council	3	1.9	52	55	45	52	51
Hambleton District Council	-7.7	-12.3	49	43	61	64	54.25
Harrogate Borough Council	-0.5	-4.1	43	50	51	52	49
Hertsmere Borough Council	1.9	-6.7	26.8	64.3	58.6	50.7	50.1
Hinckley and Bosworth Borough Council	4.3	0	38	62	55	41	49
Hyndburn Borough Council	6.2	2.7	50	41	40	43	43.5
Kingston upon Hull City Council	10.2	4.4	75.9	69.2	68.2	60.7	68.5
Leeds City Council	8.6	13.1	78.8	53.3	52.5	58	60.65
Leicester City Council	0.5	3.1	57	58	57	63	58.75
London Borough of Hackney	-2.8	-8	43	55	57	50	51.25
London Borough of Hounslow	7	7.3	61	71	60	52	61
Lincolnshire County Council	11.1	13.3	77	65	57	55	63.5

Maidstone Borough Council	5.4	4.9	36.8	70.7	62.4	37.9	51.95
Mid Devon District Council	-0.4	1.8	45	60	55	50	52.5
New Forest District Council	7	-9.5	56	60	72	51	59.75
Newcastle City Council	4.5	6.7	71	50	43	57	55.25
Portsmouth City Council	11	15	78	80	73	67	74.5
Scarborough Borough Council	-1	-11.4	24.7	34.6	42.9	37.9	35.025
South Cambridgeshire District Council	-4.9	-17.1	28	48	61	55	48
South Gloucestershire Council	11.8	12	76	71	69	57	68.25
Stratford on Avon District Council	20.6	26.2	75.4	70	56	30	57.85
Stroud District Council	14	17.2	55	80	65	42	60.5
Surrey Heath Borough Council	8.3	12.4	67	74	63	53	64.25
Swale Borough Council	16.9	21	82	75	65	57	69.75
Tandridge District Council	9.4	14.7	43	64	50	34	47.75
Three Rivers District Council	-11	-42	38	82	51	5	44
Tonbridge and Malling Borough Council	23.9	33.6	81	73	57	43.7	63.675
Uttlesford District Council	-3.3	-3.3	34	62	69	47	53
Warrington Borough Council	17.9	15	91	70	68	61	72.5
Woking Borough Council	22.5	15.6	68.5	75.3	65.8	39.7	62.325
Wycombe District Council	9.7	10.8	59.7	73	68	47	61.925
Wyre Council	1.4	1.6	53	55	51	55	53.5
Wyre Forest District Council	-10.3	-12.5	35	42	73	58	52
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