Gender pay gap reporting

What is gender pay reporting?
The media has been focusing heavily on the gender pay gap, whether it's Hollywood stars or the BBC, and are also looking at those gender pay gap reports that have already been published. At the time of writing, there are 111 gender pay gap reports of accommodation and foodservice businesses available to view on the government's viewing service.

If sectors of your workforce are predominantly male or female, it is important to understand the difference between gender reporting and equal pay. Public and legal scrutiny will follow under the gender pay gap reporting obligations. The hospitality and leisure sector is likely to be under significant scrutiny due to the tendency for a predominance of male and female workers in particular work areas.

Equal pay relates to pay for the same roles or work of equivalent value which is different to average earnings and can affect you no matter how many employees you have.

The new gender pay gap reporting obligations require businesses to confirm the difference between average earnings, irrespective of the role undertaken.

The Gender Pay Gap Regulations came into force on the 6 April 2017 and your first annual report needs to be published by the **4 April 2018**.

So what's involved?

Do these regulations apply to your business?
You must comply with the regulations for any year where you have a 'headcount' of 250 or more employees on 5 April.

So how do you work out your headcount?
In most cases it should be obvious whether you have 250 employees or more. However, for employers at or near the threshold on the snapshot date, it may not be straightforward, particularly for employers who use casual staff according to demand, as is often the case in the hospitality and leisure sector.

Whether or not a casual worker counts towards the 250 threshold will depend on the type of contract they are engaged on. For example, a casual worker engaged on an overarching umbrella contract will count towards the threshold even if they have not been given any assignments during the pay period. However, a worker who is engaged on separate and distinct worker contracts will only count towards the threshold if they have actually been engaged on an assignment on 5 April. This may mean that some businesses with fewer than 250 permanent employees will need to make an assessment each April as to whether they are required to publish gender pay gap reporting.

What do you have to publish?
You need to publish the overall gender pay gap figures for relevant employees, calculated using both the mean (total pay of men/women divided by the number of men/women) and median (the pay of the middle man/woman when they are listed in numerical order) average hourly pay. The median, which is used by the Office of National Statistics, is thought to be the best representation of the typical difference between the genders as it is not distorted by the small number of very high earners. You need to include:

- The proportion of men and women in each of four pay bands (quartiles), based on your overall pay range. This will show how the gender pay gap differs across the business, at different levels of seniority.
- Information on your gender bonus gap (that is, the difference between men and women's mean and median bonus pay over a 12-month period).
- The proportion of male and female employees who received a bonus in the same 12-month period.
- A written statement, signed by an appropriate senior individual, confirming that the published gender pay gap information is accurate.
You have the option to include a narrative explaining any pay gaps or other disparities, and setting out what action, if any, you plan to take to address them. The provision of a narrative is strongly encouraged, but is not mandatory. However, providing a narrative will help people to understand your view of why a gender pay gap is present and what your business intends to do to close it.

What counts as pay?

For the purposes of gender pay gap reporting, pay (which is broken down into “ordinary pay” and “bonus pay”) includes basic pay, bonuses, allowances (such as on-call and standby allowances), pay for piecework, pay for leave (but only fully paid leave) and shift premiums. It excludes overtime pay, expenses, benefits in kind and the value of salary sacrifice schemes.

Pay is calculated using gross figures, before any deductions have been applied. Your gender pay gap is calculated using both the mean and median hourly gross pay over a specific pay period (normally a week or a month, depending on your usual pay cycle), with any bonuses being pro-rated where they relate to a period longer than the relevant pay period.

When do you need to publish?

You must analyse your gender pay gap each April, and publish your gender pay gap report, and the accompanying written statement of accuracy, within 12 months. Thereafter, you must produce and publish an annual report. The report must be published on your website and it must be kept online and publicly available for three years. You must also upload the information to a government website, the gender pay gap viewing service.

What are the consequences if you don’t report?

The Regulations do not contain any enforcement provisions or sanctions for non-compliance. The Acas Guidance states that the Equality and Human Rights Commission (EHRC) will be able to use its existing powers of enforcement in section 20 of the Equality Act 2006, (which allows the EHRC to carry out investigations and issue unlawful act notices), but this is unlikely to happen in practice. The government has also stated that it will run checks to assess for non-compliance and publish tables, by sector, of employers’ reported gender pay gaps, and that it might establish a database of compliant employers.

However, the media, public, customer and employee scrutiny will be a significant detriment regardless of legal enforcement. Legal claims for equal pay will also be a risk.

Is that all there is to it?

That gets you compliant with publishing the calculations - the real business benefit is to do something about the results and start closing your gender pay gap.

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UK Government Website Gender Pay Gap Information


UK Government Equalities Office

www.gov.uk/government/organisations/governments-equalities-office

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Advisory, Conciliation and Arbitration Service provides free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law. For Gender Pay Reporting Advice, visit: