



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

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| Date | 24 September 2019 |
| Report title | Equal Pay Audit and Gender Pay Gap Update |
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| Accountable Employee | Tracy Walters, Head of Human Resources and Organisational Development Email: Tracy.Walters@wmca.org.uk Tel: (0121) 214 7007 |
| Report has been considered by | Head of Governance – Tim Martin Director of Productivity and Skills - Julie Nugent |

Recommendation(s) for action or decision:

The Audit, Risk & Assurance Committee is recommended

- (1) Consider and note the outcomes of the Gender and Race Equal Pay Audit Report
- (2) Consider and note the March 2019 WMCA Gender Pay Gap data and the actions to address the gender pay gap and help bridge internal diversity gaps.

1. Purpose

- 1.1 This report provides the Committee with an update on our Equal Pay Audit outcomes together with a breakdown of the latest Gender Pay Gap Statistics. It also outlines current initiatives and identifies key areas of future focus to help bridge the gap and promote inclusion.

2. Background

- 2.1 Promoting equality and inclusion is of paramount importance and a key internal and external WMCA driver. Narrowing diversity gaps is an organisational priority. The WMCA is a broadly representative organisation. We monitor our workforce and recruitment statistics on a regular basis to identify gaps and explore ways to address these gaps and challenges. Sections 3 and 4 of this report provide a summary of our equal pay audit report findings and our gender pay gap statistics for March 2019. Section 5 briefly outlines current and proposed initiatives. These will be considered internally in September by the Corporate Management Team's and in October by our Strategic Leadership Team.

3. Gender and Race Equal Pay Audit

- 3.1 An equal pay audit is an examination of pay data to determine if staff with different protected characteristics are being paid fairly and equally for work of equal value. A gender pay audit determines whether men and women are being paid fairly and equally, while a race pay audits examine whether White British and Black and Minority Ethnic (BME) employees are being paid fairly and equally.
- 3.2 The latest WMCA gender and race pay audit was conducted in August 2019. The main purpose of the audit was to establish whether there are any gender or race pay inequities arising through the comparison of pay of men and women and White British and BME employees doing the same or equivalent work. Comparisons were made between a) employees doing the same job (same job title), and b) employees doing work rated as equivalent and/or of equal value – posts which have been assessed as jobs of equal value (same grade) by application of the WMCA's single job evaluation scheme.
- 3.3 The WMCA has a job evaluation scheme which provides a method of evaluating the grade of jobs on a consistent basis. An agreed Role Profile is drawn up and agreed which identifies the duties and responsibilities of the post along with the knowledge, skills and experience required to perform the job to a satisfactory level. These are then assessed against a list of criteria which determines a five point grade scale for that post. Each year, every eligible staff member moves one incremental point up the grade scale until they reach the maximum point. Senior posts, namely Directors and Heads of Service are evaluated by a separate job evaluation scheme, the Hay Job Evaluation Scheme, and are externally assessed by a trained Hay advisor.
- 3.4 The audits conducted did not identify any areas of concern. The vast majority of "like" jobs (same job title) were on the same grade. There were grade differentials in very few posts due to either honorariums or employees being on a protected grade, so the grade differentials are justified in line with the WMCA pay policy. Higher pay within the same grade was due to a range of reasons: Years in post (every employee goes one point up the grade scale every year), higher salary on appointment (not appointed at the bottom of the grade scale due to a higher salary scale in a previous role), honorariums and protected grades due to being a previously higher paid post. The analysis of pay differentials between men and women and White British and BME employees for post

assessed as jobs of equal value also showed that pay differentials do not appear to negatively and disproportionately affect women or minority ethnic employees.

3.5 Gender and race equal pay audits are conducted on an annual basis – the next audit is due in August 2020.

4. Gender Pay Gap

4.1 From April 2018 organisations are legally required to report their median and mean gender pay gap. The 'mean' gender pay gap shows the difference in mean pay between female and male employees (that is the average of the total of all employees' pay) while the 'median' pay gap shows the difference in median pay (that is putting all male/female employees in a line and identifying the pay of the person in the middle).

4.2 The UK has a median pay gap of 8.6% for full-time employees. The WMCA's median gender pay gap (March 2019) is 16.3% which compares to 5.77% in March 2018. The WMCA's mean gender pay gap is 10.1% which compares to 3.7% in 2018. There has been significant increase in the WMCA gender pay gap between March 2018 and March 2019 even though there has been an increase in the female workforce. In-depth analysis of the recruitment statistics showed that the reasons for that increase were:

- More males were appointed in senior level positions between April 2018 and March 2019;
- More females were appointed in lower salary level positions between April 2018 and March 2019;
- There were fewer applications from women for the highest salary level posts (only 25% of applicants for senior level posts were women though the success rate was 30.8%); and

5. Current and proposed Initiatives

5.1 Current initiatives to address diversity gaps and promote inclusion include:

- We introduced an external careers/recruitment site that clearly highlights WMCA benefits and is reflective of the regional gender and ethnic diversity
- We have amended our advertising templates to strongly highlight our commitment to equality, diversity and inclusion whilst also encouraging under-represented groups to apply for roles.
- We use qualifications under the apprenticeship levy to encourage people to apply, which we anticipate will have a positive impact on a number of groups, including mothers who had taken a career break due to caring responsibilities and may need some encouragement and support to get back to work.
- Online equality training is mandatory at induction level for all employees
- Regular equality awareness campaigns help ensure staff are abreast of equalities.
- Our "Building our Future Workforce" strategy is designed to provide under-represented groups with the skills required for leadership roles as part of an overall learning and development strategy. The strategy was approved in January at Strategic Leadership team level. All vacancies at SCP26 or below are apprenticeships unless there is no Apprenticeship standard available or the recruiting manager has a justifiable reason which is approved by their Head/Director. We hold work experience weeks engaging with hard to reach schools. The strategy also allows provisions for NEETs, care leavers, people with disabilities, homeless people, ex-offenders and Armed Forces Veterans.

- We are an advocate of flexible working arrangements as demonstrated by the Flexible Working Hours Scheme which seeks, as far as practicable, to balance the needs of the individual with the needs of the organisation and wellbeing of the wider team.

5.2 Proposed initiatives focus on three key areas of work: Recruitment, Equality Awareness and Development and include:

- Targeted positive action statements for those roles where there is gender or race under-representation
- Reviewing job titles and role profiles when advertising a vacancy to identify biases in the way they are worded and to ensure they are inclusive
- Delivering face-to-face unconscious bias training for recruiting managers and rolling out unconscious bias training for employees
- Introducing regular HR business partner recruitment conversations with senior and recruiting managers to identify team diversity gaps and highlight the importance of diversity in recruitment
- Establishing networking groups to provide an ongoing, informal and supportive environment to explore challenges and barriers
- Identifying internal senior mentors and consider reverse mentoring (to support an understanding of challenges for under-represented groups)
- Providing work/role experience placements and involvement in projects (also connected to the mentoring relationships established)
- Securing access to academic funding to support learning, raise skills and qualifications to enhance opportunities (primarily via the apprenticeship Levy).

6. Financial Implications

N/A

7. Legal Implications

N/A

8. Equalities Implications

The initiatives are aimed at addressing diversity gaps and are therefore likely to have equality positive impact.

9. Inclusive Growth Implications

N/A

10. Geographical Area of Report's Implications

N/A

11. Other Implications

N/A

12. Schedule of Background Papers

N/A